

2024

Hfx No. 538745

SUPREME COURT OF NOVA SCOTIA

BETWEEN:

IN THE MATTER OF THE *COMPANIES CREDITORS ARRANGEMENT ACT*, RSC 1985, C C-36, AS AMENDED (THE “**CCAA**”)

AND IN THE MATTER OF AN APPLICATION OF BLUE LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED (COLLECTIVELY, THE “**APPLICANTS**”)

AFFIDAVIT OF ALINA STOICA
(Sworn July 3, 2025)

I, **Alina Stoica**, of the City of Toronto, in the province of Ontario, **MAKE OATH AND SAY:**

1. I am a law clerk with the law firm of Reconstruct LLP, counsel to KSV Restructuring Inc. in its capacity as court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) and as such, I have knowledge of the following matters deposed to in this Affidavit.
2. Attached as **Exhibit “A”** is a letter from Gavin Macdonald of Cox & Palmer to Ms. Sharon Kour, counsel to the Monitor, dated July 2, 2025.
3. Attached as **Exhibit “B”** is the Response to Interrogatories of the Monitor, dated June 3, 2025, served upon Darren O’Keefe of O’Keefe Sullivan.

SWORN BEFORE ME at the City of)
Toronto, in the Province of Ontario, on 3rd)
day of July 2025.)

DocuSigned by:)
Jessica Wuthmann)
3A2B52A947404F3...)

A Commissioner for taking Affidavits.)
Jessica Wuthmann)

Signed by:)
Alina Stoica)
2C2F4B7A77E0469...)

ALINA STOICA

THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF ALINA STOICA SWORN BEFORE ME,
THIS 3RD DAY OF JULY, 2025

DocuSigned by:

Jessica Wuthmann

3A2B52A947404F3

A COMMISSIONER FOR TAKING AFFIDAVITS



July 2, 2025

Via Email

Reconstruct LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2305
P.O. Box 120
Toronto ON M5 J 2J3
Attention: Sharon A. Kour

Dear Ms. Kour:

Re: In the Matter of the CCAA Proceedings of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 334533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the “Applicants”)

I confirm that we are counsel to 4723718 Nova Scotia Limited and 4725748 Nova Scotia Limited (collectively, the “**Proposed Lenders**”) and provide this response to your letter of June 29, 2025.

The Proposed Lenders are happy to provide this voluntary disclosure to the Monitor in order to support the Court in making its determination of the pending motions scheduled to be heard on July 7, 2025. However as private parties, there are some matters identified below which are either commercially sensitive or otherwise not relevant to the present analysis in the opinion of the Proposed Lenders.

As a preliminary point, the Proposed Lenders have a number of investors who were trying to work with the Applicants and their representatives prior to the commencement of the SISP. All of the investors in the Proposed Lender are prominent Nova Scotia businesspeople and a number of them have deep roots in Pictou County, Nova Scotia. As you will know, the operations of the Applicants are primarily located in Pictou County and the Proposed Lenders are seeking to preserve the Applicants as a going concern business which they believe will benefit the community more broadly.

Responses to June 29 Questions

1. The source of the Escrow Funds.

Gavin D.F. MacDonald | Partner

Direct 902 491 4464 **Main** 902 421-6262 **Fax** 902 421-3130 **Email** gmacdonald@coxandpalmer.com

Nova Centre | South Tower, Suite 1500, 1625 Grafton Street, Halifax, NS B3J 0E8

Correspondence PO Box 2380 Central Halifax NS B3J 3E5

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The Escrow funds are provided by the previously identified lenders 4723718 Nova Scotia Limited and 4725748 Nova Scotia Limited, businesses incorporated in and authorized to do business in Nova Scotia.

2. The identity of the borrowers and guarantors in relation to the Escrow Funds.

The Borrowers under the Loan Agreements are 3284906 Nova Scotia Limited, 4318682 Nova Scotia Limited, 3343533 Nova Scotia Limited and Blue Lobster Capital Limited. The Loans are guaranteed by Alex Rice, The Rice Family Trust (2020) and 3342963 Nova Scotia Limited.

3. The identity of the Proposed Lender and its lenders, investors, shareholders and beneficial owners.
4. The identity of 4725748 Nova Scotia Limited ("**4725 NS**") and its lenders, investors, shareholders and beneficial owners.

The Proposed Lenders are private companies, whose lenders include major financial institutions and individuals. Their shareholders, investors and beneficial owners are individuals and trusts who, for privacy reasons and to ensure these companies are complying with their obligations under privacy legislation, will not be disclosed. However, we can confirm that they are prominent Nova Scotia businesspeople, including Mat Harris and Alex Rice, some of whom were involved in trying to support the Applicants prior to the commencement of the SISP.

5. Whether any of the following participated, directly or indirectly, in the sale and investment solicitation process conducted in this proceeding (the "**SISP**"): (i) the borrowers and guarantors, (ii) the Proposed Lender and any of its financiers, lenders, investors, shareholders and beneficial owners, or (iii) 4725 NS and any of its financiers, lenders, investors, shareholders and beneficial owners.

The Borrowers provided a draft plan of arrangement to the Monitor at the time of the SISP. Whether the delivery of this draft plan constitutes participation is disputed between the parties. The Proposed Lenders did not participate in the SISP. An investor in the Proposed Lenders participated in the SISP. However, a number of the Proposed Lenders' financiers, lenders, investors, shareholders and beneficial owners did not participate in the SISP.

6. The escrow agreement.

The Escrow Agreements with the Proposed Lenders are attached.

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7. Details concerning any security and collateral granted or to be granted in relation to the Escrow Funds.

See attached summary of the key business terms of the three loans from the Proposed Lenders.

8. Whether any of the assets or shares of the Applicants will be sold pursuant to this arrangement, or whether the share capital of the Applicants will be restructured as part of the refinancing.

The share capital will be restructured as part of the refinancing - the final structure has not been settled. This restructuring will consolidate the three operations into a single enterprise and simplify future financing, licensing and distribution agreements.

With respect to the operating businesses, certain non-core assets of the Applicants will be sold in order to generate additional working capital for the businesses (e.g. the vacant lot in Gasperau, having an assessed value just under \$200,000). The BLCL loan includes covenants to sell certain assets as mandatory repayments of the loan.

9. A complete listing of claims that are or will be “contested” and will not be paid in cash from the Escrow Funds.

At present, the only contested claim we are aware of is the claim by Beck Flavours which is subject to litigation, including a substantial counter-claim by the Applicants. This would not be paid in cash from the Escrow Funds and we expect the litigation to continue in its ordinary course to either settlement or final determination by the Court.

10. A complete listing of claims that will be deferred, assumed, or otherwise delayed and will not be paid in cash from the Escrow Funds.

As you are aware, both CRA and ACOA have agreed to payment terms in respect of the amounts owing to them. These will not be paid in cash from the Escrow Funds, rather they will be paid in accordance with the terms of agreement with these parties.

In addition, post-filing creditors will be paid by the Applicants in the ordinary course of business.

11. Any transaction documents related directly or indirectly to the Escrow Funds, including any asset or share purchase agreements and subscription agreements.

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These agreements (to the extent they are executed in escrow) will come into effect post-repayment (and following termination of the CCAA), they are private and the parties decline to disclose them as they are not relevant to the Monitor's analysis.

12. Any agreements, resolutions, directions, commitments or other documents executed by the Applicants, their Board, or their shareholders in relation to the Escrow Funds and any related transaction, including any loan and security documents.

These documents (to the extent that they are executed in escrow) are irrelevant to the analysis of the Monitor.

13. Any other financing to be provided to the Applicants in addition to the Escrow Funds.

In addition to the Escrow Funds there is a provision for a further \$570,000 in funding to the Applicants in the form of shareholder loans.

14. Any contemplated changes to the Applicants' business and operations, including headcount reductions, if the CCAA termination order is issued.

It is anticipated that the businesses will continue in their ordinary course of operations and that the headcount of the Applicants will remain fundamentally unchanged. In addition, the restructured entity has plans to continue the employment of the majority of the employees of Blue Ocean Management Limited and Blue Ocean Hospitality Limited within the new enterprise. Preserving jobs and business in Pictou County and other rural areas of Nova Scotia is a key driver for the Proposed Lenders.

The Proposed Lenders are confident in the future of the Applicant Companies, having completed their due diligence. In addition, the Proposed Lenders note that the businesses have generated (excluding professional fees) almost a million dollars of free cash flow during the period of the CCAA proceedings based on the information in the Monitor's Third and Fourth Reports.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'Gavin D.F. MacDonald', followed by a large, stylized flourish.

Gavin D.F. MacDonald
GDFM/GDFM

July 2, 2025

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Attachments

Summary of Loan Terms

As of June 27, 2025

Lender	4723718 Nova Scotia Limited
Borrowers	3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited
Facility	Non-revolving demand loan up to \$6,782,000.00
Interest Rate	Royal Bank of Canada prime + 6.5% compounding monthly
Payable	On demand
Purpose	Bridge financing for the discharge of secured creditors and undisputed unsecured creditors in respect of pending CCAA proceedings
Security	<ol style="list-style-type: none"> 1. Collateral mortgage charging all real property of the Borrowers 2. General security agreement charging all present and after-acquired personal property of the Borrowers 3. Personal guarantee (unlimited in amount) of Kevin Alexander Rice 4. Personal guarantees (unlimited in amount) from shareholders of the Borrowers (WAIVED BY LENDER) 5. Pledge of shares in the Borrowers held by the guarantors 6. General assignment of all contracts of the Borrowers
Advance of Funds	Advanced to Cox & Palmer as escrow agent pending termination of CCAA proceeding.
Representations, warranties and covenants	Standard for a loan transaction.
Documentation	All loan documents negotiated and executed pending termination of CCAA proceedings. Held in escrow by Cox & Palmer as agent.

Lender	4723718 Nova Scotia Limited
Borrowers	Blue Lobster Capital Limited and Kevin Alexander Rice
Facility	Non-revolving term loan up to \$1,218,000.00
Interest Rate	Royal Bank of Canada prime + 6.5% compounding monthly
Term	Nine months from the date funds are advanced from the escrow agent
Mandatory Repayments	Net proceeds of sale of specified real estate in New Glasgow and Halifax NS
Purpose	The discharge of secured debt owed to Royal Bank of Canada and no other purpose
Security	<ol style="list-style-type: none"> 1. Guarantee from 3342963 Nova Scotia Limited 2. Pledge of shares in 3284906 Nova Scotia Limited held by the 3342963 Nova Scotia Limited 3. Pledge of shares by held by Rice Family Trust (2020) in 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited 4. Personal guarantee (unlimited in amount) of Kevin Alexander Rice 5. Pledge of shares held by Kevin Rice in Borrower 6. Collateral mortgage charging all real property of the Borrower 7. Assignment and postponement of claims from Kevin Rice and 3342963 Nova Scotia Limited
Advance of Funds	Advanced to Cox & Palmer as escrow agent pending termination of CCAA proceeding.
Representations, warranties and covenants	Standard for a loan transaction.
Documentation	All loan documents negotiated and executed pending termination of CCAA proceedings. Held in escrow by Cox & Palmer as agent.

Lender	4725748 Nova Scotia Limited
Borrowers	3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited
Facility	Non-revolving term loan up to \$380,000.00
Interest Rate	Royal Bank of Canada prime + 6.5% compounding monthly
Repayable	On demand
Mandatory Repayments	Repayable in a formula from operation generated free-cash flow.
Purpose	The discharge of secured creditors and undisputed unsecured creditors in respect of pending CCAA proceedings
Security	Unsecured.
Advance of Funds	Advanced to Cox & Palmer as escrow agent pending termination of CCAA proceeding.
Representations, warranties and covenants	Standard for a loan transaction.
Documentation	All loan documents negotiated and executed pending termination of CCAA proceedings. Held in escrow by Cox & Palmer as agent.

ESCROW AGREEMENT

THIS AGREEMENT made as of June 23rd, 2025

AMONG:

**3284906 NOVA SCOTIA LIMITED, 4318682 NOVA
SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED
and BLUE LOBSTER CAPITAL LIMITED**

(collectively, the "**Distressed Companies**")

-and-

4725748 NOVA SCOTIA LIMITED

("Lender")

-and-

COX & PALMER

(the "**Escrow Agent**")

RECITALS

- A. Lender and the Distressed Companies are parties to an agreement bearing even date herewith relating to recapitalizing the Distressed Companies subject to the terms therein, including the requirement for an order of the Supreme Court of Nova Scotia terminating the pending proceedings initiated by the Distressed Companies pursuant to the *Companies' Creditors Arrangement Act* (the "**Agreement**");
- B. Pursuant to the Agreement, Lender shall advance a discharge loan to the Distressed Companies in the amount of \$380,000.00 (the "**Escrow Funds**");
- C. The Distressed Companies, Lender and others have executed various agreements, certificates and documents called for under the Agreement, including security agreements to secure the discharge loan (collectively, the "**Closing Documents**"); and
- D. The Escrow Agent will hold the Escrow Funds in an account on the terms outlined in this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Headings and References

The division of this Escrow Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Escrow Agreement. The terms "this Agreement", this "Escrow Agreement", "hereof", "hereunder", and similar expressions refer to this Escrow Agreement and not to any particular section, subsection, or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections, and further subdivisions of sections of this Escrow Agreement.

Section 1.2 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

Section 1.3 TIME

In this Agreement, a reference to "Business Days" means a day that is not a Saturday or Sunday on which the chartered banks are open for business in Halifax, Nova Scotia. The parties agree that all calculations of time following notice shall exclude the day on which the notice is given.

ARTICLE 2 – ESCROWED CLOSING

Section 2.1 Receipt of Escrow Funds and Closing Documents

- (1) The Distressed Companies and Lender hereby appoint the Escrow Agent to act as Escrow Agent hereunder and the Escrow Agent hereby accepts such appointment in accordance with and subject to the terms and conditions hereof. Notwithstanding that the Escrow Agent also acts in the capacity as counsel to the Lender, the Escrow Agent and Lender expressly acknowledge and agree that the role and obligations of the Escrow Agent hereunder are separate and apart from the Escrow Agent's obligations as counsel to the Lender.
- (2) The Escrow Agent hereby acknowledges receipt of the Escrow Funds and Closing Documents which shall be held in trust for the Distressed Companies, on the one hand, and for the Lender, on the other hand, and released by the Escrow Agent only in accordance with the terms hereof.

ARTICLE 3- ESCROW CONDITIONS AND RELEASE

Section 3.1 Release Process for Escrow Funds and Closing Documents

- (1) All parties hereto acknowledge and confirm that the Escrow Funds and Closing Documents are being held in trust by the Escrow Agent to be released to the Distressed Companies or Lender in accordance with the procedures prescribed herein.
- (2) Subject to Section 4.2, the Escrow Funds shall be released by the Escrow Agent as follows:
 - a. to the creditors of the Distressed Companies upon notice from the Distressed Companies and the Lender that all conditions precedent in the Closing Documents have been satisfied or waived;
 - b. to the Lender upon notice from the Lender that the Agreement has been terminated for any reason; and
 - c. to the Lender upon notice from the Lender to return the Escrow Funds on or after [August 15, 2025].
- (3) The Escrow Agent shall make payment of the Escrow Funds to the applicable party within two (2) Business Days following receipt of the notice described above.
- (4) The Closing Documents shall be released automatically from escrow upon payment of the Escrow Funds to the creditors of the Distressed Companies, and shall be destroyed if the Escrow Funds are returned to the Lender for any reason.

ARTICLE 4- DUTIES OF ESCROW AGENT

Section 4.1 Duties

The acceptance by the Escrow Agent of its duties and obligations under this Escrow Agreement is subject to the following terms and conditions, which the parties to this Escrow Agreement hereby agree shall govern and control with respect to its rights, duties, liabilities and immunities:

- (1) The Escrow Agent shall deposit the Escrow Funds in its trust account. Subject to obtaining prior written approval from the Lender, the Escrow Agent may invest the Escrow Funds in such instruments as are permitted for trust accounts under the laws of the Province of Nova Scotia and any interest earned thereon shall be the property of the Lender.
- (2) The Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, receipt, statutory declaration or other paper or document furnished to it and signed by the parties, not only to its due execution and the

validity and effectiveness, but also as to the truth and acceptability of any information therein contained which it in good faith believes to be genuine in what it purports to be.

- (3) Except for acts of negligence or misconduct, the Escrow Agent shall not be liable for any acts done, omitted to be done or step taken or omitted by it in good faith or any other mistake of fact or law.
- (4) The Escrow Agent may consult with and obtain advice from legal counsel in the event of any questions arising from the interpretation of the provisions hereof or the provisions of the Agreements, any questions of law related to any matter contemplated herein, or its duties hereunder. Distressed Companies and Lender shall jointly indemnify and save harmless the Escrow Agent from the costs of such legal counsel on a solicitor and own client basis. The Escrow Agent shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion and instructions of such counsel.
- (5) The Escrow Agent shall have no duties, except those which are expressly set forth herein, and shall not be bound by any notice of claim or demand with respect thereto, or any waiver, modification, amendment, termination or rescission of this Escrow Agreement, unless such notice, waiver, modification, amendment, termination or rescission is received by the Escrow Agent in writing and signed by the Distressed Companies and Lender and, if its duties are hereinafter affected, unless it shall have given its prior written consent thereto.

Section 4.2 Disputes

Notwithstanding anything to the contrary contained herein, in the event that any dispute arises concerning disbursement of the Escrow Funds or any part thereof, the Escrow Agent may, following written notice to the Distressed Companies, Lender and the Lender pay the Escrow Funds into a court of competent jurisdiction or to such other party as Distressed Companies and Lender shall agree and, on the date of such delivery, the obligations of the Escrow Agent hereunder shall immediately cease. At the time of delivery by the Escrow Agent of the Escrow Funds as aforesaid, Distressed Companies and Lender shall execute a release in favor of the Escrow Agent, in the form attached hereto as Schedule "A". Notwithstanding its duties as Escrow Agent, Distressed Companies and Lender agree that neither the Escrow Agent's services hereunder, nor any provision hereof either express or implied, shall restrict or inhibit the Escrow Agent in any way from acting as legal counsel to Lender and the Lender in any action, dispute, controversy, arbitration, suit, or negotiation arising under the Agreement or any agreement or document delivered thereunder, or under any other agreement or in any other manner or context whatsoever, whether or not directly or indirectly involving any of the parties hereto provided always that in its role as Escrow Agent under this Escrow Agreement, the Escrow Agent at all times shall act in good faith having regard to the interests of the Distressed Companies and Lender, as applicable, without preference.

ARTICLE 5- LIMIT OF ESCROW AGENT LIABILITY AND INDEMNITY

Section 5.1 Limitation of Liability

- (1) The Escrow Agent shall not have any duties or responsibilities, except those set forth in this Escrow Agreement and shall not incur any liability in acting on any signature, notice, request, waiver, consent, receipt or other paper for documents believed by it, acting in good faith, to be genuine.
- (2) The Escrow Agent shall not be responsible for any act or failure to act, except in the case of its own willful default or negligence. The Escrow Agent shall automatically be released from all responsibility and liability hereunder on its delivery of the Escrow Funds, in accordance with the provisions of this Escrow Agreement.
- (3) In disbursement of the Escrow Funds, the Escrow Agent shall be entitled to rely on the provisions of this Agreement.
- (4) The Distressed Companies and Lender jointly undertake to indemnify the Escrow Agent and to hold it harmless against any claims, losses, damages, costs and expenses, including legal fees on a solicitor and client basis, expenses and disbursements (collectively, the "**Claims**"), suffered or incurred by the Escrow Agent in the performance of its obligations hereunder, including without limiting the generality of the foregoing, any Claims resulting from or related to any litigation or other legal action commenced by Distressed Companies and Lender against, or including, the Escrow Agent in connection with its obligations hereunder.

ARTICLE 6- MISCELLANEOUS

Section 6.1 Time of Essence

Time is of the essence of this Agreement.

Section 6.2 Notice

Each Party shall deliver all notices, requests, consents, claims, demands, waivers and other communications under this Agreement (each, a "**Notice**") in writing and addressed to the other Party at its address set out below (or to any other address that the receiving Party may designate from time to time in accordance with this section). Each Party shall deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile or email of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is conclusively deemed effective only (a) if sent by personal delivery or by courier (all fees prepaid) on the date of actual receipt by the receiving party; if sent by facsimile or email of a PDF document on the date of transmission if a Business Day or if not a Business Day or after 5:00 p.m. on the date of transmission, on the next following Business Day; or if sent by

certified or registered mail (postage prepaid) on the third after the mailing thereof; and (b) if the party giving the Notice has complied with the requirements of this Section. The parties agree that they shall provide a copy of any Notice to the Escrow Agent to every other party hereto when given.

If to Distressed Companies:

[ADDRESS]

Facsimile:

Email:

Attention:

with a copy to: O'Keefe & Sullivan

[ADDRESS]

Facsimile:

Email:

Attention:

If to Lender:

[ADDRESS]

Facsimile:

[FAX NUMBER]

[Email:

[EMAIL ADDRESS]]

Attention:

[TITLE OF OFFICER TO RECEIVE NOTICES]

with a copy to: Cox & Palmer
1500 – 1625 Grafton St.
Halifax NS B3J 0E8

Facsimile: 902-421-3130

Email: vgoldberg@coxandpalmer.com

Attention: Victor Goldberg K.C

Section 6.3 Further Assurances

Each of the parties hereto shall promptly do, make, execute, or deliver, or cause to be done, made, executed, or delivered, all such further acts, documents, and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Escrow Agreement and shall use reasonable efforts, and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Escrow Agreement.

Section 6.4 Governing Law

This Escrow Agreement shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia.

Section 6.5 Entire Agreement

This Escrow Agreement constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior negotiations and understandings.

Section 6.6 Severability

Any provision of this Escrow Agreement that is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable.

Section 6.7 Waivers

No waiver of any provision of this Escrow Agreement is binding unless it is in writing and signed by the party entitled to grant the waiver. No failure to exercise and no delay in exercising, any right or remedy under this Escrow Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Escrow Agreement will be deemed to be a waiver of any subsequent breach of that provision.

Section 6.8 Amendments

No amendment, supplement, restatement, or termination of any provision of this Escrow Agreement is binding unless it is in writing and signed by each party to this Escrow Agreement.

Section 6.9 Assignment and Enurement

None of the parties may assign this Escrow Agreement without the prior written consent of the parties, which consent may be unreasonably withheld, conditioned or delayed. This Escrow Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

Section 6.10 Counterparts

This Escrow Agreement, or any amendment to it, may be executed in counterparts each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and same agreement.

Section 6.11 Electronic Transmission

This Escrow Agreement, or any amendment to it, may be transmitted by electronic transmission subject to confirmation of receipt of same by the recipient and the reproduction of signatures by electronic transmission shall be treated as binding as if originals and each party undertakes to provide the other party with a copy of the Escrow Agreement or any amendment to it, bearing original signatures.

[Remainder of Page Intentionally Left Blank]


IN WITNESS WHEREOF the parties hereto have executed this Agreement.

3284906 NOVA SCOTIA LIMITED

By: 


Name: Alex Rice (Jul 2, 2025 09:31 ADT)
Title:

4318682 NOVA SCOTIA LIMITED

By: 

Name: Alex Rice (Jul 2, 2025 09:31 ADT)
Title:

3343533 NOVA SCOTIA LIMITED

By: 

Name: Alex Rice (Jul 2, 2025 09:31 ADT)
Title:

4725748 NOVA SCOTIA LIMITED

By: _____
Name:
Title:

ESCROW AGREEMENT

THIS AGREEMENT made as of June 22nd 2025

AMONG:

3284906 NOVA SCOTIA LIMITED, 4318682 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED and BLUE LOBSTER CAPITAL LIMITED

(collectively, the "**Distressed Companies**")

-and-

4723718 NOVA SCOTIA LIMITED

("Lender")

-and-

COX & PALMER

(the "**Escrow Agent**")

RECITALS

- A. Lender and the Distressed Companies are parties to an agreement bearing even date herewith relating to recapitalizing the Distressed Companies subject to the terms therein, including the requirement for an order of the Supreme Court of Nova Scotia terminating the pending proceedings initiated by the Distressed Companies pursuant to the *Companies' Creditors Arrangement Act* (the "**Agreement**");
- B. Pursuant to the Agreement, Lender shall advance a discharge loan to the Distressed Companies in the amount of Eight Million Dollars (\$8,000,000) (the "**Escrow Funds**");
- C. The Distressed Companies, Lender and others have executed various agreements, certificates and documents called for under the Agreement, including security agreements to secure the discharge loan (collectively, the "**Closing Documents**"); and
- D. The Escrow Agent will hold the Escrow Funds in an account on the terms outlined in this Agreement.

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 – INTERPRETATION

Section 1.1 Headings and References

The division of this Escrow Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Escrow Agreement. The terms "this Agreement", this "Escrow Agreement", "hereof", "hereunder", and similar expressions refer to this Escrow Agreement and not to any particular section, subsection, or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections, and further subdivisions of sections of this Escrow Agreement.

Section 1.2 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

Section 1.3 TIME

In this Agreement, a reference to "Business Days" means a day that is not a Saturday or Sunday on which the chartered banks are open for business in Halifax, Nova Scotia. The parties agree that all calculations of time following notice shall exclude the day on which the notice is given.

ARTICLE 2 – ESCROWED CLOSING

Section 2.1 Receipt of Escrow Funds and Closing Documents

- (1) The Distressed Companies and Lender hereby appoint the Escrow Agent to act as Escrow Agent hereunder and the Escrow Agent hereby accepts such appointment in accordance with and subject to the terms and conditions hereof. Notwithstanding that the Escrow Agent also acts in the capacity as counsel to the Lender, the Escrow Agent and Lender expressly acknowledge and agree that the role and obligations of the Escrow Agent hereunder are separate and apart from the Escrow Agent's obligations as counsel to the Lender.
- (2) The Escrow Agent hereby acknowledges receipt of the Escrow Funds and Closing Documents which shall be held in trust for the Distressed Companies, on the one hand, and for the Lender, on the other hand, and released by the Escrow Agent only in accordance with the terms hereof.

ARTICLE 3– ESCROW CONDITIONS AND RELEASE

Section 3.1 Release Process for Escrow Funds and Closing Documents

- (1) All parties hereto acknowledge and confirm that the Escrow Funds and Closing Documents are being held in trust by the Escrow Agent to be released to the Distressed Companies or Lender in accordance with the procedures prescribed herein.
- (2) Subject to Section 4.2, the Escrow Funds shall be released by the Escrow Agent as follows:
 - a. to the creditors of the Distressed Companies upon notice from the Distressed Companies and the Lender that all conditions precedent in the Closing Documents have been satisfied or waived;
 - b. to the Lender upon notice from the Lender that the Agreement has been terminated for any reason; and
 - c. to the Lender upon notice from the Lender to return the Escrow Funds on or after [August 15, 2025].
- (3) The Escrow Agent shall make payment of the Escrow Funds to the applicable party within two (2) Business Days following receipt of the notice described above.
- (4) The Closing Documents shall be released automatically from escrow upon payment of the Escrow Funds to the creditors of the Distressed Companies, and shall be destroyed if the Escrow Funds are returned to the Lender for any reason.

ARTICLE 4– DUTIES OF ESCROW AGENT

Section 4.1 Duties

The acceptance by the Escrow Agent of its duties and obligations under this Escrow Agreement is subject to the following terms and conditions, which the parties to this Escrow Agreement hereby agree shall govern and control with respect to its rights, duties, liabilities and immunities:

- (1) The Escrow Agent shall deposit the Escrow Funds in its trust account. Subject to obtaining prior written approval from the Lender, the Escrow Agent may invest the Escrow Funds in such instruments as are permitted for trust accounts under the laws of the Province of Nova Scotia and any interest earned thereon shall be the property of the Lender.
- (2) The Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, receipt, statutory declaration or other paper or document furnished to it and signed by the parties, not only to its due execution and the

validity and effectiveness, but also as to the truth and acceptability of any information therein contained which it in good faith believes to be genuine in what it purports to be.

- (3) Except for acts of negligence or misconduct, the Escrow Agent shall not be liable for any acts done, omitted to be done or step taken or omitted by it in good faith or any other mistake of fact or law.
- (4) The Escrow Agent may consult with and obtain advice from legal counsel in the event of any questions arising from the interpretation of the provisions hereof or the provisions of the Agreements, any questions of law related to any matter contemplated herein, or its duties hereunder. Distressed Companies and Lender shall jointly indemnify and save harmless the Escrow Agent from the costs of such legal counsel on a solicitor and own client basis. The Escrow Agent shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion and instructions of such counsel.
- (5) The Escrow Agent shall have no duties, except those which are expressly set forth herein, and shall not be bound by any notice of claim or demand with respect thereto, or any waiver, modification, amendment, termination or rescission of this Escrow Agreement, unless such notice, waiver, modification, amendment, termination or rescission is received by the Escrow Agent in writing and signed by the Distressed Companies and Lender and, if its duties are hereinafter affected, unless it shall have given its prior written consent thereto.

Section 4.2 Disputes

Notwithstanding anything to the contrary contained herein, in the event that any dispute arises concerning disbursement of the Escrow Funds or any part thereof, the Escrow Agent may, following written notice to the Distressed Companies, Lender and the Lender pay the Escrow Funds into a court of competent jurisdiction or to such other party as Distressed Companies and Lender shall agree and, on the date of such delivery, the obligations of the Escrow Agent hereunder shall immediately cease. At the time of delivery by the Escrow Agent of the Escrow Funds as aforesaid, Distressed Companies and Lender shall execute a release in favor of the Escrow Agent, in the form attached hereto as Schedule "A". Notwithstanding its duties as Escrow Agent, Distressed Companies and Lender agree that neither the Escrow Agent's services hereunder, nor any provision hereof either express or implied, shall restrict or inhibit the Escrow Agent in any way from acting as legal counsel to Lender and the Lender in any action, dispute, controversy, arbitration, suit, or negotiation arising under the Agreement or any agreement or document delivered thereunder, or under any other agreement or in any other manner or context whatsoever, whether or not directly or indirectly involving any of the parties hereto provided always that in its role as Escrow Agent under this Escrow Agreement, the Escrow Agent at all times shall act in good faith having regard to the interests of the Distressed Companies and Lender, as applicable, without preference.

ARTICLE 5– LIMIT OF ESCROW AGENT LIABILITY AND INDEMNITY

Section 5.1 Limitation of Liability

- (1) The Escrow Agent shall not have any duties or responsibilities, except those set forth in this Escrow Agreement and shall not incur any liability in acting on any signature, notice, request, waiver, consent, receipt or other paper for documents believed by it, acting in good faith, to be genuine.
- (2) The Escrow Agent shall not be responsible for any act or failure to act, except in the case of its own willful default or negligence. The Escrow Agent shall automatically be released from all responsibility and liability hereunder on its delivery of the Escrow Funds, in accordance with the provisions of this Escrow Agreement.
- (3) In disbursement of the Escrow Funds, the Escrow Agent shall be entitled to rely on the provisions of this Agreement.
- (4) The Distressed Companies and Lender jointly undertake to indemnify the Escrow Agent and to hold it harmless against any claims, losses, damages, costs and expenses, including legal fees on a solicitor and client basis, expenses and disbursements (collectively, the “**Claims**”), suffered or incurred by the Escrow Agent in the performance of its obligations hereunder, including without limiting the generality of the foregoing, any Claims resulting from or related to any litigation or other legal action commenced by Distressed Companies and Lender against, or including, the Escrow Agent in connection with its obligations hereunder.

ARTICLE 6– MISCELLANEOUS

Section 6.1 Time of Essence

Time is of the essence of this Agreement.

Section 6.2 Notice

Each Party shall deliver all notices, requests, consents, claims, demands, waivers and other communications under this Agreement (each, a “**Notice**”) in writing and addressed to the other Party at its address set out below (or to any other address that the receiving Party may designate from time to time in accordance with this section). Each Party shall deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile or email of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is conclusively deemed effective only (a) if sent by personal delivery or by courier (all fees prepaid) on the date of actual receipt by the receiving party; if sent by facsimile or email of a PDF document on the date of transmission if a Business Day or if not a Business Day or after 5:00 p.m. on the date of transmission, on the next following Business Day; or if sent by

certified or registered mail (postage prepaid) on the third after the mailing thereof; and (b) if the party giving the Notice has complied with the requirements of this Section. The parties agree that they shall provide a copy of any Notice to the Escrow Agent to every other party hereto when given.

If to Distressed Companies:

1767 Highway 1, Unit 195
Clementsport, NS B0S 1E0
Email: alex@novascotiaspirits.com
Attention: President

with a copy to: O'Keefe & Sullivan
80 Elizabeth Ave
St. John's, NL
Email: dokeefe@okeefesullivan.com
Attention: Darren O'Keefe

If to the Lender:

7 Brunello Blvd., 624
Timberlea, NS B3T 0J6
Email: mathar@eastlink.ca
Attention: President

with a copy to: Cox & Palmer
1500 – 1625 Grafton St. Halifax
NS B3J 0E8
Facsimile: 902-421-3130
Email: vgoldberg@coxandpalmer.com
Attention: Victor Goldberg K.C

Section 6.3 Further Assurances

Each of the parties hereto shall promptly do, make, execute, or deliver, or cause to be done, made, executed, or delivered, all such further acts, documents, and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Escrow Agreement and shall use reasonable efforts, and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Escrow Agreement.

Section 6.4 Governing Law

This Escrow Agreement shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia.

Section 6.5 Entire Agreement

This Escrow Agreement constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior negotiations and understandings.

Section 6.6 Severability

Any provision of this Escrow Agreement that is invalid or unenforceable shall not affect any other provision and shall be deemed to be severable.

Section 6.7 Waivers

No waiver of any provision of this Escrow Agreement is binding unless it is in writing and signed by the party entitled to grant the waiver. No failure to exercise and no delay in exercising, any right or remedy under this Escrow Agreement will be deemed to be a waiver of that right or remedy. No waiver of any breach of any provision of this Escrow Agreement will be deemed to be a waiver of any subsequent breach of that provision.

Section 6.8 Amendments

No amendment, supplement, restatement, or termination of any provision of this Escrow Agreement is binding unless it is in writing and signed by each party to this Escrow Agreement.

Section 6.9 Assignment and Enurement

None of the parties may assign this Escrow Agreement without the prior written consent of the parties, which consent may be unreasonably withheld, conditioned or delayed. This Escrow Agreement enures to the benefit of and binds the parties and their respective successors and permitted assigns.

Section 6.10 Counterparts

This Escrow Agreement, or any amendment to it, may be executed in counterparts each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and same agreement.

Section 6.11 Electronic Transmission

This Escrow Agreement, or any amendment to it, may be transmitted by electronic transmission subject to confirmation of receipt of same by the recipient and the reproduction of signatures by electronic transmission shall be treated as binding as if originals and each party undertakes to provide the other party with a copy of the Escrow Agreement or any amendment to it, bearing original signatures.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

3284906 NOVA SCOTIA LIMITED

By: K Alex T
Name:
Title:

4318682 NOVA SCOTIA LIMITED

By: K Alex T
Name:
Title:

3343533 NOVA SCOTIA LIMITED

By: K Alex T
Name:
Title:

4723718 NOVA SCOTIA LIMITED

By: WA
Name:
Title:

COX & PALMER

By:

A handwritten signature in blue ink, appearing to read 'Gavin MacDonald', is written over a horizontal line.

Gavin MacDonald, Partner

Schedule “A”

Form of Release

IN CONSIDERATION of the termination of the escrow agreement among 3284906 NOVA SCOTIA LIMITED, 4318682 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED, BLUE LOBSTER CAPITAL LIMITED and 4723718 NOVA SCOTIA LIMITED (the foregoing are collectively referred to as the **“Parties”**) and COX & PALMER (the **“Escrow Agent”**) dated as of June __, 2025 (the **“Escrow Agreement”**) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

The Parties forever release, remise and discharge the Escrow Agent, its partners, employees, agents, counsel, insurers, and assigns (hereinafter collectively referred to as the **“Releasees”**) jointly and severally from any and all actions, causes of actions, contracts (whether expressed or implied), claims and demands for damages, loss or injury, suits, debts, sums of money, securities, indemnity, expenses, interest, costs and claims of any and every kind and nature whatsoever, at law or in equity, which against the Escrow Agent, they ever had, now have, or can hereafter have by reasons of or existing out of any causes whatsoever existing up to and inclusive of the date of this Release arising out of the Escrow Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the undersigned have executed this Release on the ____ day
of _____, 20__.

3284906 NOVA SCOTIA LIMITED

By: _____

Name:

Title:

4318682 NOVA SCOTIA LIMITED

By: _____

Name:

Title:

3343533 NOVA SCOTIA LIMITED

By: _____

Name:

Title:

4723718 NOVA SCOTIA LIMITED

By: _____

Name:

Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

3284906 NOVA SCOTIA LIMITED

By: _____
Name:
Title:

4318682 NOVA SCOTIA LIMITED

By: _____
Name:
Title:

3343533 NOVA SCOTIA LIMITED

By: _____
Name:
Title:

4725748 NOVA SCOTIA LIMITED

By: LOL
Mathew Harris [Jun 25, 2025 08:47 EDT]
Name:
Title:

10

COX & PALMER

By:

A handwritten signature in blue ink, appearing to read 'Gavin MacDonald', written over a horizontal line.

Gavin MacDonald, Partner

Schedule "A"

Form of Release

IN CONSIDERATION of the termination of the escrow agreement among 3284906 NOVA SCOTIA LIMITED, 4318682 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED, BLUE LOBSTER CAPITAL LIMITED and 4725748 NOVA SCOTIA LIMITED (the foregoing are collectively referred to as the "**Parties**") and COX & PALMER (the "**Escrow Agent**") dated as of June __, 2025 (the "**Escrow Agreement**") and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

The Parties forever release, remise and discharge the Escrow Agent, its partners, employees, agents, counsel, insurers, and assigns (hereinafter collectively referred to as the "**Releasees**") jointly and severally from any and all actions, causes of actions, contracts (whether expressed or implied), claims and demands for damages, loss or injury, suits, debts, sums of money, securities, indemnity, expenses, interest, costs and claims of any and every kind and nature whatsoever, at law or in equity, which against the Escrow Agent, they ever had, now have, or can hereafter have by reasons of or existing out of any causes whatsoever existing up to and inclusive of the date of this Release arising out of the Escrow Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the undersigned have executed this Release on the ____ day
of _____, 20__.

3284906 NOVA SCOTIA LIMITED

By: 
Name:
Title:

4318682 NOVA SCOTIA LIMITED

By: 
Name:
Title:

3343533 NOVA SCOTIA LIMITED

By: 
Name:
Title:

4725748 NOVA SCOTIA LIMITED

By: 
Name:
Title:

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF ALINA STOICA SWORN BEFORE ME,
THIS 3RD DAY OF JULY, 2025

DocuSigned by:

Jessica Wuthmann

3A2B52A947404F3...

A COMMISSIONER FOR TAKING AFFIDAVITS

2024

Hfx. No. 538745

SUPREME COURT OF NOVA SCOTIA

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 Blue Lobster Capital Limited ("**Blue Lobster Capital**"), 3284906 Nova Scotia Limited ("**328NSL**"), 3343533 Nova Scotia Limited ("**334NSL**"), and 4318682 Nova Scotia Limited ("**431NSL**") (collectively, the "**Applicants**")

Response to Interrogatories of KSV Restructuring Inc.
in its capacity as Monitor of the Applicants

To: The Applicants

In answer to the Interrogatories dated July 1, 2025, the Monitor responds to the questions as follows:

In these answers, the following terms as defined in the Interrogatories dated July 1, 2025 are used:

"**ARIO**" means the Amended and Restated Initial Order dated 20 December 2024.

"**SISP**" means the Sales, Investment and Solicitation Process conducted by the Monitor pursuant to the SISP Order.

"**SISP Order**" means the Sales, Investment and Solicitation Process Order dated 07 March 2025.

"**SISP Procedures**" means those sale procedures included in the Third Report of the Monitor dated 27 February 2025

"**Fourth Report**" means the Fourth Report of the Monitor dated 17 June 2025.

"**Amendment to the Fourth Report**" means the Amendment to the Fourth Report filed on 25 June 2025.

"**CBB**" means "Cape Breton Beverage".

"**C2CM**" means "Coast to Coast Marketing".

"**Prospective Purchasers**" means collectively, CBB and C2CM and "Prospective Purchaser" means either one of them.

"**Company**" means all companies subject to this proceeding.

Questions and Answers:

1. The Monitor has alleged in its submissions that, at some point during the SISP, the Company's right to pay its creditors in full and exit the CCAA process (hereinafter the **"right to redeem"**) expired such that it is not now open to the Company to redeem its equity by paying its debts in full. Can you please confirm the following:
 - a. Given that there is nothing in the ARIO or SISP Order stating a date certain that the Company's right to redeem would expire, please either provide a reference to a written document or describe the verbal conversation in which the Monitor indicated to the Company a date on which its right to redeem would expire, or alternatively confirm that such no such communication ever occurred.

Answer: Bobby Kofman of the Monitor verbally advised Alex Rice that the Monitor could support a plan of arrangement filed by the Applicants in advance of the Bid Deadline, subject to the circumstances at the time the plan was submitted or discussed with the Monitor. Since the Bid Deadline, the Monitor and its counsel have also consistently advised Mr. Rice's counsel that the Monitor is not prepared to support a transaction submitted by Mr. Rice after the Bid Deadline and that the plan submitted at the Bid Deadline was not acceptable given its value and conditionality.

The question effectively makes argument, but notwithstanding that point, the Monitor notes for the assistance of the Applicants that generally the "right to redeem" expires by operation of law. The right to redeem (or "reinvest", refinance or pursue an alternative transaction) is extinguished upon the acceptance of an offer pursuant to a SISP. Thereafter, the Monitor is obligated to recommend any such transaction(s) to the Court for approval. In this case, the SISP specifically contemplated a refinancing as one of the transactions for which a bid could be made under the SISP, which was also then subject to the same bid deadline, with the result that any right to redeem may have expired at that point due to the terms of the SISP and the SISP and Stay Extension Order dated March 7, 2025.

The Monitor has reported to the Court on this issue in section 2 of the Supplemental Report and elsewhere.

- b. Given there was nothing included in the terms of the SISP or the ARIO which provided a "drop dead" date by which the Company would required (sic) to complete a proposed refinance and/or reinvestment to avail of its right to redeem, when and how did the Monitor determine a drop dead date and, if not communicated to the Company, why was it not communicated.

Answer: The Monitor disagrees with the premise of the question. See answer to question 1(a) as to the date applicable to a redemption or proposed refinancing transaction under the SISP.

The Monitor did not believe that it needed to advise the Applicants about the applicable general legal principles nor the meaning of the SISP when they are represented by insolvency counsel and Mr. Rice submitted a conditional plan of arrangement in the SISP at the Bid Deadline, in accordance with the provisions

[3]

of the SISP. The Monitor had no concerns that Mr. Rice was not aware of the bid deadline for a sale, investment or refinancing transaction.

2. With reference to the SISP Order, please confirm the following:

- a. On which date did the Monitor accept the Transaction(s) that are currently recommended to the Court for approval?

Answer: The Monitor accepted the CBB offer on June 2nd and C2CM offer on June 5th.

- b. Did the Monitor accept any other transactions in the SISP prior to accepting the Transaction(s) for which it seeks approval?

Answer: No.

Questions i to vi are inapplicable.

- i. If so, when were these other transactions accepted?
- ii. When were they terminated?
- iii. Who terminated them and why?
- iv. Did the counterparties to these transactions seek their process costs following termination?
- v. If so, did the Monitor agree to pay them?
- vi. If not, why not? If so, why?

- c. When were the agreements supporting the Transaction(s) fully executed by the Monitor and the Proposed Purchasers.

Answer: CBB executed its APA on the bid deadline of May 9, 2025. Non-material amendments were made to the APA and it was subsequently executed on June 2, 2025.

C2CM executed its APA on the bid deadline of May 9, 2025. Non-material amendments were made to the APA and it was signed on June 5, 2025.

The Monitor's execution of both agreements is subject to approval of the Transactions by the Court.

- d. Do the Transactions contain any closing conditions other than the issuance of the Asset Vesting Order the Monitor currently seeks?

Answer: No.

Questions i and ii are inapplicable.

- i. If so, what other closing conditions are outstanding for each of the proposed Transaction(s)?
- ii. Please provide the relevant excerpt from the Transaction(s) documents.

[4]

- e. Please confirm that the Monitor informed each bidder in the SISP, including the Prospective Purchasers, of the 11 December 2024 letter issued by Counsel to RBC and filed with the Court which indicated the Company's intention to continue to refinancing efforts during the SISP (the "**CCAA Process Agreement**").

Answer: The December 11, 2024 letter was not referred to Potential Purchasers, because its terms were subsumed in, and overtaken by, the terms of the SISP and the SISP and Stay Extension Order dated March 7, 2025.

The SISP, as submitted by the Applicants, specifically contemplated that the Applicants may participate in the SISP, as contemplated by paragraph 7 of the December 11, 2024 letter. See paragraph 3.1.9 of the Monitor's Third Report as to how the Applicants participate in the SISP.

Additionally, in relation to potential transactions that could be considered in the SISP, paragraph 3.1.4 of the Third Report is explicit that the SISP is intended to "solicit bids to acquire all or part of the business and assets of the Operating Businesses and/or the Companies, or to invest or refinance the Operating Businesses and/or the Companies." (emphasis added)

The Third Report and the SISP and Stay Extension Approval Order were posted on the Monitor's case website, the link for which was included in the teaser distributed by the Monitor.

Prior to the Bid Deadline, the Monitor does not recall any communications with potential bidders on the issue of possible refinancing by the Applicants.

- i. If the Monitor did so, please provide evidence of any written communications, or if verbal then provide a description of when this occurred and an overview of what was stated.

Question i is inapplicable.

- ii. If the Monitor did not do so, please explain why and if this is deemed by the Monitor and its counsel as an oversight or as having been an unnecessary step. If the latter, why?

Answer: The opportunity for the Applicants to redeem the debt is as noted in question 1(a), above and did not require further communication to possible bidders in that regard.

- f. Paragraph 3.1.9 of the SISP requires the Company and/or its management to declare their intention in writing to participate as Potential Bidders in the SISP, prior to the commencement of the SISP.
- i. Please confirm that the Company and/or its management never confirmed such intention in writing to participate in the SISP before it commenced on 14 March 2025.

[5]

Answer There is email correspondence confirming Mr. Rice's participation in the SISP. Mr. Rice also confirmed this in discussions with the Monitor. Mr. Rice also participated on refinancing calls in the presence of the Monitor's representatives during site visits on March 27, 2025. Mr. Rice also submitted a plan of arrangement by the bid deadline under the SISP, which involved new financing.

Additionally, another member of the Company's management team, who is also a minority shareholder was affiliated with a corporation that made a bid in the process that did not involve Mr. Rice.

- ii. If the answer to the preceding question f.i. is yes, please provide a copy of the written communication confirming the Company and/or its management intended to participate in the SISP.

Answer: The Monitor understands this question to have been intended to request records of how the Applicants or their management did confirm an intention to participate in the SISP. Certain of those records are attached at Tab A.

- g. Please confirm if the Company and/or management ever accessed the VDR. If so, who accessed it and when.

Answer: The Monitor's records of such access are attached at Tab B.

The Monitor also notes that Mr. Rice, members of the management team and an external accounting advisor (Origin) assisted the Monitor to populate the data room.

- h. Please confirm if the Company and/or its management ever signed a Non-Disclosure Agreement (and "**NDA**") with the Monitor concerning the SISP. If they did, please provide a copy.

Answer: As the Company's senior executive, Mr. Rice would not be required to sign an NDA in connection with a proposed refinancing transaction.

4681814 Nova Scotia Limited ("468"), a bidder in the process, executed an NDA. Evan MacEachern, an executive with the Company, was associated with 468, which submitted an offer in the SISP. Mr. MacEachern, for unknown reasons, also signed an NDA on his own behalf. Copies of those NDAs are attached at Tab C.

3. The Monitor has recommended the Transaction(s) as being the best Transaction(s) resulting from the SISP. Please confirm the following:

- i. Did the Monitor actively explore options for re-investment, restructuring or recapitalization (a "**Restructuring**") as part of the SISP?

Answer: Investment or recapitalization opportunities were contemplated in the SISP. To the knowledge of the Monitor, Mr. Rice was leading the effort to refinance the business. See section 2 of the Monitor's

[6]

Supplemental Report on the issue of a possible restructuring of the business before the bid deadline under the SISP.

The Monitor advised Mr. Rice that it was prepared to assist Mr. Rice to the extent he wished to call on the Monitor for assistance in his restructuring efforts. Mr. Rice never did so.

- ii. If so, what Restructuring options were presented to interested parties. Please provide copies of any written materials outlining the various proposed Restructuring options that were made available to interested parties during the SISP.

Answer: The materials available to interested parties were posted in the virtual data room.

- a. With respect to the BLCL real estate (the “**BLCL Properties**”), did the Monitor entertain offers for the sale of these properties as part of any *en bloc* bids in the SISP?
 - i. If so, how many *en bloc* bids were received where the BLCL Properties were included as a purchased (or assumed) asset?

Answer: Two en bloc offers that included the BLCL Properties were submitted in the SISP.

In respect of the better of those two offers (the “Superior En Bloc Offer”), the structure (but not the terms) were discussed with Mr. Rice and the Applicants’ counsel. The Applicants’ counsel made it clear that Mr. Rice would object to that offer because the allocation of the purchase price for the BLCL Properties was less than their fair market value. That led to the negotiation of the MOU, which Mr. Rice did not sign. The value of that transaction exceeds the \$8.380 million dollar value pursuant to Mr. Rice’s termination motion transaction.

The rationale for rejecting the Superior En Bloc Offer is discussed in Section 11 of the Fourth Report (and elsewhere), including that once the RBC debt and other claims against BLCL are repaid, the recoveries for the Operating Companies’ creditors under this transaction are inferior to the recoveries under the recommended transactions.

The Superior En Bloc Offer is summarized in Confidential Appendix 1 of the Fourth Report.

- b. Can the Monitor guarantee the Court that the Transaction(s) it is recommending will be sufficient to pay all secured and unsecured creditors in full, without any discounting being applied for tax reversal or other cost mitigation strategies in bankruptcy?

Answer: The Monitor does not understand what “tax reversal or other mitigation strategies” means.

[7]

The Monitor has not run a claims process and is unable to independently confirm how much is properly owing. The Monitor is accordingly unable to advise whether the Transactions will fully pay all of the Applicants' unsecured creditors, nor if the proposal from the Applicants will do so.

The Monitor expects RBC to be fully repaid as a result of the Transactions, including from the subsequent sale of the BLCL Properties.

Counsel to the proposed lenders under the Applicants' proposal provided selected documents (but not all that was requested) to the Monitor on July 2, 2025. Upon review of those documents, the Monitor has several questions concerning the termination motion transaction, including its supposed unconditionality. If the request for a "guarantee" is intended to provide a contrast with the proposal by the Applicants, the Monitor believes that its questions are relevant on the issue of whether that proposal does, in fact, contemplate payment of all creditors "in full".

One such question is that Mr. Rice's transaction is intended to repay creditors in full; however, it assumes payment over time for several creditors, either pursuant to deferred payment agreements or in the ordinary course. Mr. Rice has not provided any business plan to support the ongoing operations that are implicit in his proposed transaction. Mr. Rice's materials reference the profitability of the business during the CCAA period; however, the business is seasonal and the CCAA period's results do not necessarily reflect the future performance of the business. In a CCAA plan, creditors should have proper disclosure as to the future viability of the business.

The Monitor also notes that the additional costs resulting from Mr. Rice's motion will erode recoveries to creditors regardless of the outcome of these motions.

Questions i and ii below are inapplicable.

- i. If the answer to the foregoing is yes, does the group of secured and unsecured creditors include all the creditors currently outlined in the Monitors calculations presented on 16 June 2025 and attached hereto as **Exhibit "A"**?
 - ii. If not, why not?
- c. Please confirm if the Monitor ever disclosed to the Company the date upon which the Transaction(s) agreements were signed? If so, when was this disclosure made?

Answer: The Monitor does not recall if it communicated to the Company the date that the Transaction agreements were signed. The Monitor advised Mr. Rice and his counsel on May 30, 2025 that the offers from CBB and C2CM had been accepted.

4. With respect to the Monitor's Third Report, please provide the following:

[8]

- a. A copy of the “template asset purchase agreement” referred to in Clause 3.1.7 of the Third Report.

Answer: This was in the data room and is attached at Tab D.

- b. A copy of any other template agreements, if any, that were made available to prospective purchasers to consider other Restructuring options.

Answer: There were no other templates.

5. Please confirm if the Monitor obtained listing proposals from two local realtors in each relevant market for BLCL Properties as required in the SISP Procedures.

Answer: The Monitor obtained listing proposals from seven local realtors.

6. Please confirm whether the BLCL Properties were marketed for sale by the listing agents using conventional methods to sell real property, including by listing them on the multiple listing service, placing signage on each of the Real Properties and using social media, mass mailings and direct solicitation of likely buyers, as well as such other methods as the Monitor and the listing agents agree, as required in the SISP Procedures.

Answer: See section 4.1 of the Fourth Report generally, and in particular section 4.1.6, which is copied here:

*After consultation with the **Applicants** [emphasis added] and RBC, the Monitor advised the realtors that it did not intend to list the BLCL Real Properties prior to the Bid Deadline. The Monitor had been advised by certain Potential Bidders that the BLCL Real Properties would be integral part of their offers, and it was determined that it would be appropriate to consider those offers and the outcome of the SISP before the BLCL properties were listed for sale.*

7. The Monitor has asked the Court to provide vacant possession of the BLCL Properties to conduct a sales process for these properties. Please confirm the following:

- a. Does the Monitor intend to comply with the terms of the SISP Procedures in marketing the BLCL Properties for sale?

- i. If so, please provide an estimate, based on the Monitor’s professional experience, as to how long this sale process is likely to take.

Answer: The process to commence the listing of the BLCL Real Properties would start immediately following the Court’s approval of the Transactions. The Monitor cannot predict the amount of time required to sell these properties.

- ii. Please provide an estimate of professional fees for the Monitor and its counsel for the period required to list the BLCL Properties for sale, including any anticipated Court motions to approve sales or deal with ancillary matters that are reasonably anticipated.

[9]

Answer: The Monitor's estimate is \$100,000 to \$200,000, including legal fees.

6. (sic) With respect to the due diligence period of the SISP, please confirm the following:

- a. Did the Monitor request that any potential bidder, participant, or the Prospective Purchasers to visit the Applicants' facilities/properties in Nova Scotia?

Answer: The Monitor did not request this, but prospective purchasers were permitted to visit the facilities and did so.

- b. To the best of the Monitor's knowledge, of the 13 bids submitted in the SISP, how many of these bidders visited the Applicants' facilities in Nova Scotia?

Answer: Six. One additional party who did not submit bids also visited the Applicants' facilities.

- c. Upon the rejection of the 11 bids that were not successful, did the Monitor agree to pay any break fees or other costs associated with the time and resources spent by these unsuccessful bidders on due diligence?

Answer: No.

- i. If not, why not?

Answer: The Monitor has not agreed to pay a break fee to any party who participated in the SISP and the SISP did not require the payment of break fees.

- d. Please confirm if anything contained with the SISP Procedures, the SISP Order, the NDAs, or any draft Transaction documents (including the final draft) requires the Monitor to pay a break fee to the Prospective Purchasers in the event of (i) the Transaction(s) being terminated prior to Court approval, or (b) the Court refusing to approve the recommended Transaction.

Answer: Those documents speak for themselves. The possible obligation to compensate a bidder whose bid is not accepted due to a late redemption (or in this case, a similar transaction) arises out of the case law.

- e. Please confirm if any representations or guarantees were made by the Monitor to the Prospective Purchasers, verbal or in writing, expressing or implying that they would be re-imbursed for their costs of the Transaction(s) if they were not approved by the Court.

Answer: The Monitor made no representations or guarantees in this regard.

- f. Please confirm if the Monitor has had any discussions with counsel for the Prospective Purchasers in formulating a response to the Company's Motion to end the CCAA proceedings.

[10]

Answer: The Monitor has not spoken with counsel for the Prospective Purchasers. For the sake of clarity, it should be noted that counsel for the Monitor has spoken with counsel for CBB to inquire about the position that CBB may take on the Applicants' motion.

7. Please confirm if the Monitor was provided with or reviewed an advance copy of any materials filed by CBB or C2CM in connection with the Monitors motion to approve the Transaction(s) or the Company's Motion to terminate the CCAA Proceedings.

Answer: The Monitor was not provided with an advance copy of these materials. The Monitor had a discussion with Ms. Lynch regarding concerns about the fees spent performing due diligence, drafting an offer and preparing to close their transaction.

8. Please confirm if the Monitor or its counsel shared advance copies of the Monitor's filings in draft or final version as prepared by the Monitor's counsel, including its Motion to approve the Transaction(s) with any Prospective Bidder or with RBC prior to it being filed with the Court.

Answer: The Monitor did not do so.

9. Did the Monitor ever provide a written or verbal guarantee to the Prospective Purchasers that their Transaction(s) would be accepted by the Court.

Answer: No guarantees were provided.

10. Did the Monitor inform the Prospective Purchasers that the Transaction(s) were subject to Court approval?

Answer: Yes. Also the template APA, which was posted in the virtual data room, provides that Court approval is required for any transaction. Additionally, the SISF, which was posted on the Monitor's case website so indicates. The Monitor does not recall if it had written communications with bidders on this issue.

Question a is answered above.

- a. If so, please provide a copy of all correspondence or other written evidence of the Monitor confirming that it informed the Prospective Purchasers that the Transaction(s) were subject to Court approval. Please provided copies of any relevant excerpt(s) from the Transaction(s) documents confirming the same.
- b. Do the Transaction(s) documents provide a clause dealing who is responsible for the costs of negotiating and consummating the proposed Transaction(s). If so, please provide the relevant excerpt(s) from the Transaction(s) documents.

Answer: See Article 7.1 of each of the APAs for the Transactions, as attached at Appendices D and E to the Fourth Report in connection with ordinary course expenses of the Transactions.

[11]

11. Were the Prospective Purchasers subject to an NDA or any provisions in the Transaction(s) documents that prevent early discussion or disclosure of their interest in the SISP?

Answer: Bidders other than those representing the Applicants were required to enter into an NDA, which provides as follows:

“the parties agree to: “maintain the Information in the strictest of confidence and to control the dissemination of the Information, including any documents or copies (paper, electronic or otherwise) and communications thereof contained in the Information, in accordance with the terms and conditions of this Confidentiality and Non-Disclosure Agreement (“NDA”); (ii) to use the Information solely for the purpose of evaluating the Companies and assessing the potential of submitting a bid to acquire the Companies (the “Bidding Purpose”) and, for greater certainty, not for any other purpose; and (iii) to only disclose the Information to its employees, directors, officers, affiliates and associated corporations, auditors, accountants, agents, solicitors, lawyers, consultants and advisors(including financial advisors) who have a need to know the Information in connection with the Bidding Purpose, including, if necessary, other potential sources of financing that the Monitor has consented to in writing in advance”

See Article 7.3 of each of the APAs for the Transactions, as attached at Appendices D and E to the Fourth Report.

12. With respect to CBB, did the Monitor authorize or approve of the following activities allegedly undertaken by CBB and/or Shannon Lynch:

Answer: The Monitor advised Ms. Lynch that, following acceptance of CBB’s bid, she could communicate with stakeholders that the bid had been accepted but remained subject to Court approval.

The Monitor had ongoing discussions with Ms. Lynch regarding her appropriate efforts to be able to avoid any disruption to the operations of the business following closing CBB’s transaction. The Monitor has found that Ms. Lynch has operated professionally and with appropriate diligence considering the acquisition of a business in a CCAA proceeding. This situation is unusual because the two of the shareholders of the Applicants have not, in the Monitor’s opinion, cooperated with CBB’s diligence notwithstanding that two of the shareholders were associated with, or submitted, unsuccessful competing bids in the SISP.

The answers to questions 1-10 are subsumed in the answer above.

- (1) Travel to and from the Applicants properties in Nova Scotia;
- (2) Discussions with the Nova Scotia Liquor Board; If so, how many meetings were authorized. Please provide the dates these meetings were authorized and the estimated time allotted for each meeting.
- (3) Attendance in Court;

[12]

(4) Review of Pleadings in connection with the CCAA proceedings;

(5) Meetings with Management and Staff:

1. If so, how many meetings were authorized. Please provide the dates these meetings were authorized and the estimated time allotted for each meeting.

(6) Event Sponsorships;

(7) Public Statements and Interviews with the All Nova Scotia news service;

(8) Preparation and submission of Excise License Applications to the Canada Revenue Agency;

(9) Meetings with the Nova Scotia Liquor Commission; and/or

(10) Meetings with distribution agents for the Provinces of Ontario, Newfoundland and Labrador, or New Brunswick?

13. If the Monitor did approve the foregoing activities, did the Monitor take any steps to ensure that these activities were appropriately qualified so that any third parties participating in these activities were not left with the false impression that the Transaction with CBB had been approved before it went before the Court for approval?

Answer: See answer to question 12.

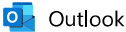
Signed this 3rd day of July 2025.

**KSV RESTRUCTURING INC., IN ITS
CAPACITY AS MONITOR OF BLUE
LOBSTER CAPITAL LIMITED, 3284906
NOVA SCOTIA LIMITED, 3343533 NOVA
SCOTIA LIMITED AND 4318682 NOVA
SCOTIA LIMITED AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

Bobby Kofman

Per: Bobby Kofman, President

Tab A



RE: BL Real Property

From Bobby Kofman <bkofman@ksvadvisory.com>
Date Thu 3/13/2025 12:00 PM
To Tony Trifunovic <ttrifunovic@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>
Cc Sharon Kour <skour@reconllp.com>

I spoke to Alex:

- He says he is putting together an offer that will pay out all creditors in full and that he has deals with the other shareholders
- He expects to get us a document early next week
- I told him we need a definitive agreement
- I told him we need to launch the process today
- He acknowledged that the sale process is required to launch

On the basis that all stakeholders are paid in full and the shareholders are on board, I think we could support a transaction that ends the process prior to the SISP deadline.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Tony Trifunovic <ttrifunovic@ksvadvisory.com>
Sent: March 13, 2025 10:41 AM
To: Mitch Vininsky <mvininsky@ksvadvisory.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Subject: Re: BL Real Property

I spoke with Kristen regarding access to the properties.

- Stellarton/New Glasgow properties: Kristen has keys to the head office in New Glasgow. The operations manager, Scott, has the keys to the 3 Stellarton properties, but Kristen is nearby and can get the keys from Scott whenever they are needed.
- PEI Property: Alex's brother, Nathaniel, has the keys to the PEI property. Kristen can provide his contact information when we need it.



Tony Trifunovic	T	647.848.1350
Manager	M	519.761.8669
	E	ttrifunovic@ksvadvisory.com

KSV Advisory Inc.

220 Bay Street
Suite 1300, Box 20
Toronto, Ontario, M5J 2W4

T 416.932.6262 | F 416.932.6266 | www.ksvadvisory.com

From: Tony Trifunovic <ttrifunovic@ksvadvisory.com>
Sent: Thursday, March 13, 2025 9:45 AM
To: Mitch Vininsky <mvininsky@ksvadvisory.com>; Bobby Kofman <bkofman@ksvadvisory.com>
Subject: Re: BL Real Property

Updated.



Tony Trifunovic	T	647.848.1350
-----------------	---	--------------



Re: Meetings

From Alex Rice <alex@novascotiaspirits.com>

Date Thu 3/20/2025 2:04 PM

To Mitch Vininsky <mvininsky@ksvadvisory.com>

Cc Bobby Kofman <bkofman@ksvadvisory.com>; Tony Trifunovic <ttrifunovic@ksvadvisory.com>

Good afternoon gentlemen,

I think the 27-28 is most workable I am still waiting to hear from a couple people.

Can you send a proposed list of team members you would like to meet?

Thanks guys,

Alex

778 350 8452

> On Mar 19, 2025, at 5:29 PM, Alex Rice <alex@novascotiaspirits.com> wrote:

>

> Thanks guys,

>

> I feel that's very reasonable.

>

> Notice seems fair and pending vacation I will lock everyone in to make this easier.

>

> Please provide two options and I will make it work.

>

> Alex

> 778 350 8452

>

>> On Mar 19, 2025, at 5:11 PM, Mitch Vininsky <mvininsky@ksvadvisory.com> wrote:

>>

>> Alex, we're fine to reschedule. Would the end of next week and/or the beginning of the following week work for you?

>>

>> -----Original Message-----

>> From: Alex Rice <alex@novascotiaspirits.com>

>> Sent: March 19, 2025 2:41 PM

>> To: Mitch Vininsky <mvininsky@ksvadvisory.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Tony Trifunovic <ttrifunovic@ksvadvisory.com>

>> Subject: Re: Meetings

>>

>> Subsequently I am working hard on said offer and I will provide a significant update this week

>>

>> Alex

>> 778 350 8452

>>

>>> On Mar 19, 2025, at 3:39 PM, Alex Rice <alex@novascotiaspirits.com> wrote:

>>>

>>> Bobby,

>>>

>>> Thanks you for the quick response

>>>

>>> I think we can accommodate in the very near future with a list of team members that you would like to see with my participation.

>>>

>>> In the best interest of the company and the process I would appreciate not "rocking the boat" or having people not available for the discussion. My goal is to maximize value and time for all parties while maintaining continuity of operations which I believe is core to value.

>>>

>>> Best,

>>>

>>> Alex

>>> 778 350 8452

>>>

>>>> On Mar 19, 2025, at 10:22 AM, Mitch Vininsky <mvininsky@ksvadvisory.com> wrote:

>>>>

>>>> Alex, we should be able to arrive at the Provost head office at 12:30ish. We'll call you as we approach to confirm timing.

>>>>

>>>>

>>>> -----Original Message-----

>>>> From: Bobby Kofman <bkofman@ksvadvisory.com>

>>>> Sent: March 19, 2025 9:18 AM

>>>> To: Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Tony Trifunovic <ttrifunovic@ksvadvisory.com>

>>>> Subject: RE: Meetings

>>>>

>>>> Thanks Alex,

>>>>

>>>> As a prospective and competing purchaser, it is not appropriate for you to be present for all discussions and meetings with other bidders.

>>>>

>>>> We would be pleased to arrange a call with counsel.

>>>>

>>>> Bobby

>>>>

>>>>

>>>>

>>>> -----Original Message-----

>>>> From: Alex Rice <alex@novascotiaspirits.com>

>>>> Sent: March 19, 2025 9:09 AM

>>>> To: Bobby Kofman <bkofman@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>;
Tony Trifunovic <ttrifunovic@ksvadvisory.com>

>>>> Subject: Meetings

>>>>

>>>> Good morning,

>>>>

>>>> I am happy to facilitate the tours and meetings with full access but I will need to be present for all
discussions and we need a schedule and list of individuals required.

>>>>

>>>> It may be easier to have a quick call to discuss.

>>>>

>>>> Thanks,

>>>>

>>>> Alex

>>>> 778 350 8452

Samantha Currie

From: Alex Rice <alex@novascotiaspirits.com>
Sent: Friday, February 14, 2025 10:59 AM
To: Bobby Kofman; Matt Couldwell; Darren O'Keefe; Sharon Kour; Mitch Vininsky; Tony Trifunovic
Subject: NDA Parties in active discussion

Bobby,

Here are the parties that I am in active discussions with and are under NDA's

Armour Group (Scott McCrae)
Coldstream Clear Distillery (Riley Giffen)
Pumphouse Brewing (Brian Harriman)
Valour Investments LTD (Jim Kennedy)
Highwood/Caldera Group (Jarret Stuart)

Is there more information I can provide on these parties?

--

Alex Rice
President & Co-Founder
Blue Ocean Group
Direct: 778 350 8452



Samantha Currie

From: Alex Rice <alex@novascotiaspirits.com>
Sent: Tuesday, February 11, 2025 10:19 AM
To: Bobby Kofman
Cc: Matt Couldwell; Darren O'Keefe; Sharon Kour; Mitch Vininsky; Tony Trifunovic
Subject: Re: Draft SISP

Thank you Bobby and sorry I was unable to join this morning. I was in a boardroom with a potential future equity partner and I lost track of time as our plan was 8:30-9:30.

I have a call with Grant Thornton at 1:30 in which I can provide an update subsequently on the BLCL statements.

Thanks,

Alex

On Mon, Feb 10, 2025 at 7:13 PM Bobby Kofman <bkofman@ksvadvisory.com> wrote:

Alex,

Further to our discussion on Friday, please find a draft SISP for consideration. I believe we are talking tomorrow morning about this.

Please also update us re the BLCL statements.

Bobby



Bobby Kofman
President

T	416.932.6228
M	647.282.6228
E	bkofman@ksvadvisory.com

KSV Advisory Inc.

220 Bay Street, 13th Floor
Toronto, ON M5J 2W4
T 416.932.6262 | F 416.932.6266 | www.ksvadvisory.com

--
Alex Rice
President & Co-Founder
Blue Ocean Group
Direct: 778 350 8452



Samantha Currie

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Thursday, July 3, 2025 6:34 AM
To: Bobby Kofman
Subject: FW: Meetings

-----Original Message-----

From: Bobby Kofman
Sent: March 19, 2025 2:32 PM
To: Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>
Cc: Tony Trifunovic <ttrifunovic@ksvadvisory.com>
Subject: RE: Meetings

Alex,

I think you are misunderstanding the process. The SISP is not debtor driven. It is Monitor driven. You are a prospective buyer.

If there is a better time for us to attend the Company, we can arrange this. If necessary, I suggest a call with counsel. We prefer not to have a disagreement with you.

Additionally, you have repeatedly advised that you would be sending us a definitive offer sufficient to repay all creditors. Please advise of status.

Lastly, we are a court-appointed officer, and if we need to attend at the company, that should be respected. If this week doesn't work, we can see if we can arrange another time in the very near future.

Best,

Bobby

-----Original Message-----

From: Alex Rice <alex@novascotiaspirits.com>
Sent: March 19, 2025 2:27 PM
To: Mitch Vininsky <mvininsky@ksvadvisory.com>
Cc: Bobby Kofman <bkofman@ksvadvisory.com>; Tony Trifunovic <ttrifunovic@ksvadvisory.com>
Subject: Re: Meetings

Good afternoon gentlemen,

I agree that prospective purchasers may or may not want to meet with me and that we offer an opt in or out.

Tomorrow I don't believe any perspective purchasers will be visiting. With this in mind I would reiterate and highlight that this remains a debtor driven process and we are committed and have consented to support the process but this unplanned ad hoc approach is challenging for our team and we have no understanding of the benefit or desired outcome.

I require a list of senior leadership you would like to meet and a proposed schedule that can be mutually agreeable with my attendance in mind.

Best regards,

Alex
778 350 8452

> On Mar 19, 2025, at 10:22 AM, Mitch Vininsky <mvininsky@ksvadvisory.com> wrote:

>

> Alex, we should be able to arrive at the Provost head office at 12:30ish. We'll call you as we approach to confirm timing.

>

>

> -----Original Message-----

> From: Bobby Kofman <bkofman@ksvadvisory.com>

> Sent: March 19, 2025 9:18 AM

> To: Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Tony Trifunovic <ttrifunovic@ksvadvisory.com>

> Subject: RE: Meetings

>

> Thanks Alex,

>

> As a prospective and competing purchaser, it is not appropriate for you to be present for all discussions and meetings with other bidders.

>

> We would be pleased to arrange a call with counsel.

>

> Bobby

>

>

>

> -----Original Message-----

> From: Alex Rice <alex@novascotiaspirits.com>

> Sent: March 19, 2025 9:09 AM

> To: Bobby Kofman <bkofman@ksvadvisory.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>; Tony Trifunovic <ttrifunovic@ksvadvisory.com>

> Subject: Meetings

>

> Good morning,

>

> I am happy to facilitate the tours and meetings with full access but I will need to be present for all discussions and we need a schedule and list of individuals required.

>

> It may be easier to have a quick call to discuss.

>

> Thanks,

>

> Alex

> 778 350 8452

Samantha Currie

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Tuesday, March 18, 2025 4:19 PM
To: Alex Rice
Subject: RE: Offer

Sure – send me a note at your convenience.



Bobby Kofman
President and Managing Director

T 416.932.6228
M 647.282.6228
W www.ksvadvisory.com

From: Alex Rice <alex@novascotiaspirits.com>
Sent: March 18, 2025 4:17 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Subject: Re: Offer

Waiting to hear back in the morning on a couple items.

The party I am discussing with was out of the country.

Can we have a call to discuss tomorrow?

Alex
778 350 8452

On Mar 18, 2025, at 5:11 PM, Bobby Kofman <bkofman@ksvadvisory.com> wrote:

Can you update me please as to status

<image001.png>

Bobby Kofman	T	416.932.6228
President	M	647.282.6228
	E	bkofman@ksvadvisory.com

KSV Advisory Inc.
220 Bay Street, 13th Floor
Toronto, ON M5J 2W4
T 416.932.6262 | F 416.932.6266 | www.ksvadvisory.com

Samantha Currie

From: Bobby Kofman <bkofman@ksvadvisory.com>
Sent: Thursday, July 3, 2025 6:44 AM
To: Bobby Kofman
Subject: FW: Offer
Attachments: image001.png

From: Darren O'Keefe <dokeefe@okeefesullivan.com>
Sent: March 4, 2025 5:48 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Sharon Kour <skour@reconllp.com>; Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>
Subject: Re: Offer

I will respect your decision.

Thanks,

Darren O'Keefe
Partner | Lawyer
O'Keefe & Sullivan
P: 709 699 3002

On Mar 4, 2025, at 7:13 PM, Bobby Kofman <bkofman@ksvadvisory.com> wrote:

I spoke to David after I received your email.

Based on David's comments, I believe Alex learned about this from a discussion he had with one of the insiders who is part of the potential buyer group. David tells me he reached to you out after that. In any event, I referred David to the SISF in our report and advised that offers are to be sent to the Monitor.

<image001.png>

From: Darren O'Keefe <dokeefe@okeefesullivan.com>
Sent: March 4, 2025 5:01 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Sharon Kour <skour@reconllp.com>; Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>
Subject: Re: Offer

The reason this came to my attention is because I received a call from David Boyd asking if we received it. I understand the parties who have made the offer are insiders to the company, including the Director of Sales. I will update David on the status and leave it at that.

Darren O'Keefe
Partner | Lawyer
O'Keefe & Sullivan
P: 709 699 3002

On Mar 4, 2025, at 6:27 PM, Bobby Kofman <bkofman@ksvadvisory.com> wrote:

On the basis that your client may be a prospective bidder and absent something highly unusual, the court is going to issue the SISF order.

<image001.png>

From: Darren O'Keefe <dokeefe@okeefesullivan.com>
Sent: March 4, 2025 4:55 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Sharon Kour <skour@reconllp.com>; Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>
Subject: Re: Offer

On what basis?

Darren O'Keefe
Partner | Lawyer
O'Keefe & Sullivan
P: 709 699 3002

On Mar 4, 2025, at 6:13 PM, Bobby Kofman
<bkofman@ksvadvisory.com> wrote:

Sorry Darren, I am not prepared to provide this at this time.

<image001.png>

From: Darren O'Keefe <dokeefe@okeefesullivan.com>
Sent: March 4, 2025 4:36 PM
To: Bobby Kofman <bkofman@ksvadvisory.com>
Cc: Sharon Kour <skour@reconllp.com>; Alex Rice <alex@novascotiaspirits.com>; Mitch Vininsky <mvininsky@ksvadvisory.com>
Subject: Re: Offer

Bobby:

The SISP has not yet been approved so these terms do not apply to any offers received prior to that date.

Regards,

Darren O'Keefe
Partner | Lawyer
O'Keefe & Sullivan
P: 709 699 3002

On Mar 4, 2025, at 5:25 PM, Bobby Kofman
<bkofman@ksvadvisory.com> wrote:

Hi Darren,

In the context of your request below, I'm attaching the provision which addresses Alex's entitlement to information regarding competing opportunities.

<image002.png>

Please confirm whether Alex will be participating as a bidder in the SISP (whether on his own or as part of another group) and then we will consider your request below.

Thanks,

Bobby

<image001.png>

From: Darren O'Keefe <dokeefe@okeefesullivan.com>
Sent: March 4, 2025 3:25 PM
To: Sharon Kour <skour@reconllp.com>; Bobby Kofman <bkofman@ksvadvisory.com>; Alex Rice <alex@novascotiaspirits.com>
Subject: Re: Offer

Hello Folks,

I just got a call from David Boyd saying there was an offer sent over by Josh Santimaw and asking if we have reviewed. Is this something you can pass along to us?

Darren D. O'Keefe
Partner, Lawyer | O'Keefe & Sullivan
P 709 800 6536 | **C** 709 699 3002

E dokeefe@okeefesullivan.com

This email (including any attachments) is confidential and may contain solicitor client or other privileged information. It is intended only for the use of the addressee(s). If you have received this email in error, please notify the sender immediately, and delete all versions of this email and any attachments.

Tab B

User	Company	Login Date
Couldwell, Matt	Origin Accounting - Companies' external accountant and advisor*	6/4/2025
		3/14/2025
		3/11/2025
		3/10/2025
		3/7/2025
		3/6/2025
		5/19/2025
MacEachern, Evan	4681814 Nova Scotia Limited	4/14/2025
		4/10/2025
		4/7/2025
		4/4/2025
		4/1/2025
		3/29/2025
		5/6/2025
Howard, Michael	4681814 Nova Scotia Limited	5/3/2025
		5/2/2025
		5/1/2025
		4/28/2025
		4/25/2025
		4/18/2025
		4/16/2025
		4/9/2025
		4/8/2025
		4/1/2025
		3/29/2025
		3/19/2025
		3/17/2025
		3/17/2025
Kennedy, Jim	4681814 Nova Scotia Limited	3/16/2025
		3/16/2025
		3/15/2025
		5/5/2025
		3/19/2025
		3/17/2025
		3/16/2025
		3/15/2025

*Matt Couldwell assisted the monitor in preparing for the SISP and provided the Monitor with majority of the Companies' information used to populate the VDR.

**Alex Rice did not access the virtual data room; however, Mr. Rice oversaw the SISP preparation, including the information used to populate the VDR.

Tab C

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

To: KSV Restructuring Inc. ("**KSV**") in its capacity as monitor (the "**Monitor**") of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (the "**Companies**"),

220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

Attention : **Tony Trifunovic**
Telephone : **(647) 848-1350**
Email : **ttrifunovic@ksvadvisory.com**

The undersigned hereby acknowledges having been advised that:

- i) The Companies were granted protection under the *Companies Creditors Arrangement Act* (the "**CCAA**") by the Supreme Court of Nova Scotia on December 13, 2024 and KSV was appointed the Monitor.
- ii) On March 7th, 2025 the Court issued an order approving a sale and investment solicitation process (the "**SISP**") that is to be conducted by the Monitor.
- iii) The Monitor and/or the Companies have in their possession certain proprietary, non-public or confidential information (whether oral or in writing, or stored in computerized, electronic, disk, tape, microfilm or other form), reports, communications, books, records, documents, statements, and data relating to the Companies (collectively, the "**Information**").
- iv) The Information is sensitive and confidential in nature, and the disclosure thereof could adversely affect the value of the Companies, as well as the Companies on-going operations.
- v) The Information is being provided to the undersigned to assist it with evaluating a potential transaction relating to the Companies (the "**Transaction**").

In consideration of the disclosure by the Monitor to the undersigned of all or any portion of the Information, the sufficiency of which consideration is hereby acknowledged, the undersigned hereby undertakes and agrees as follows:

1. To maintain the Information in the strictest of confidence and to control the dissemination of the Information, including any documents or copies (paper, electronic or otherwise) and communications thereof contained in the Information, in accordance with the terms and conditions of this Confidentiality and Non-Disclosure Agreement ("**NDA**");
2. To use the Information solely for the purpose of evaluating the Companies and assessing the potential of submitting a bid to acquire the Companies (the "**Bidding Purpose**") and, for greater certainty, not for any other purpose;
3. To only disclose the Information to its employees, directors, officers, affiliates and associated corporations, auditors, accountants, agents, solicitors, lawyers, consultants and advisors (including financial advisors) who have a need to know the Information in connection with

the Bidding Purpose, including, if necessary, other potential sources of financing that the Monitor has consented to in writing in advance (collectively, the "**Representatives**");


4. To advise the Representatives of the confidential nature of the Information and that the Representatives shall not further disseminate the Information except as permitted by this NDA;
5. The undersigned shall not, and shall cause its affiliates (together with the undersigned, the "**Covered Entities**") not to, for a period of 12 months from the date hereof, solicit, employ or retain, any officer or employee of the Companies or any of their affiliates without the prior written consent of the Monitor; provided, that the Covered Entities shall not be precluded from hiring any person: (i) who responds on his or her own volition, without any overt or tacit encouragement by the Covered Entities, to a general solicitation or advertisement not targeted specifically at employees of the Companies or their affiliates; (ii) who contacts the Covered Entities on his/her own initiative without any direct or indirect solicitation or encouragement from the Covered Entities, other than any general solicitation or advertisement; (iii) whose employment with the Companies or their affiliates is terminated by the Companies or such affiliate; or (iv) with whom the Covered Entities have not had any contact with or of whom the Covered Entities have not become aware of in connection with the Transaction;
6. The undersigned shall be responsible for any breach of the provisions of this NDA by any of the Representatives to whom the undersigned discloses Information;
7. The undersigned acknowledges that it shall not be entitled to any Information that cannot be disclosed as a result of applicable privacy regulations including, without limitation, *The Personal Information Protection and Electronic Documents Act*;
8. In the event that the undersigned or any of its Representatives becomes legally compelled or is requested by any regulatory or other authority to disclose any of the Information by way of a deposition, interrogatory, court order or directive, request for documents, subpoena, summons, civil investigative demand or similar process, the undersigned agrees to first notify the Monitor (to the extent permitted to do so by applicable law) by delivering written notice to the address noted above, so that the Monitor or its legal representative may seek an appropriate protective order; provided, however, if such protective order or other remedy is not obtained, or the Monitor waives compliance with the provisions hereof, the undersigned or such Representative, as the case may be, may only disclose such Information which the undersigned or such Representative, as the case may be, is legally required to be disclosed;
9. The term "Information" does not include, and this NDA will not apply to, any information that: (i) at the time of disclosure or thereafter is generally available to or known by the public (other than as a result of a disclosure by the undersigned or any of its Representatives in violation of any obligation under this NDA); (ii) was already in the possession of, or is or becomes available to, the undersigned or any of its Representatives on a non-confidential basis from a source other than the Monitor who, insofar as was known to the undersigned or any of its Representatives, was not prohibited from transmitting the information to the undersigned or any of its Representatives by a contractual, legal or fiduciary obligation to the Companies, the Monitor or any third party; or (iii) has been independently acquired or developed by the undersigned or any of its Representatives without violation of any obligation under this NDA;

10. Upon receipt of a written request to the undersigned, the undersigned and its Representatives shall promptly return to the Monitor or destroy all Information received and copies thereof, printed, downloaded or otherwise copied provided that the undersigned will be permitted to retain: (i) the Information, or part thereof, for the sole purpose of satisfying and as long as required by, the requirements of any law, court or regulatory authority or governmental agency or authority; and (ii) electronic copies of records or files containing the Information which have been created by the undersigned's archiving and backup procedures, so long as such Information is not immediately retrievable as part of the undersigned's day-to-day business;
11. Neither the Monitor nor the Companies make any representation or warranty about the accuracy, adequacy or suitability of the Information for the Bidding Purpose or for any purpose. Only those representations or warranties that are made in a Definitive Agreement (defined below) when, as and if executed will have any legal effect;
12. The undersigned acknowledges that money damages may not be a sufficient remedy for breach of this NDA and that, in addition to all other remedies available, the Monitor shall be entitled to seek equitable relief, including, without limitation, injunction and specific performance as a remedy for breach of this NDA. Such remedies will not be exclusive remedies for any breach of this NDA but will be in addition to all other remedies available at law or in equity to the Monitor;
13. The undersigned acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this NDA and has either received same or expressly waived its right to do so;
14. The undersigned's obligations under this NDA shall remain in effect for a period of one (1) year from the date hereof;
15. Neither the undersigned nor the Monitor will be under any legal obligation with respect to the Transaction unless and until a definitive agreement (a "**Definitive Agreement**") between it and the Monitor (and any other party) is executed and delivered;
16. This NDA shall enure to the benefit of and be binding upon the parties hereto and the Monitor, and their respective successors and permitted assigns. This NDA shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Nova Scotia with respect to any matter arising hereunder or related hereto;
17. No failure or delay by the Monitor in exercising any rights, powers or privileges under this NDA shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any rights, powers or privileges under this NDA;
18. No amendment to the terms and conditions of this NDA shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto;

19. This NDA may be executed and delivered by email in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

DATED this 25 day of March, 2025

[SIGNING PARTY NAME]

Per: 
Name: Evan MacEachern
Title: Director of Business Development

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

To: KSV Restructuring Inc. ("**KSV**") in its capacity as monitor (the "**Monitor**") of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (the "**Companies**"),

220 Bay Street, Suite 1300
Toronto, ON M5J 2W4

Attention : **Tony Trifunovic**
Telephone : **(647) 848-1350**
Email : **ttrifunovic@ksvadvisory.com**

The undersigned hereby acknowledges having been advised that:

- i) The Companies were granted protection under the *Companies Creditors Arrangement Act* (the "**CCAA**") by the Supreme Court of Nova Scotia on December 13, 2024 and KSV was appointed the Monitor.
- ii) On March 7th, 2025 the Court issued an order approving a sale and investment solicitation process (the "**SISP**") that is to be conducted by the Monitor.
- iii) The Monitor and/or the Companies have in their possession certain proprietary, non-public or confidential information (whether oral or in writing, or stored in computerized, electronic, disk, tape, microfilm or other form), reports, communications, books, records, documents, statements, and data relating to the Companies (collectively, the "**Information**").
- iv) The Information is sensitive and confidential in nature, and the disclosure thereof could adversely affect the value of the Companies, as well as the Companies on-going operations.
- v) The Information is being provided to the undersigned to assist it with evaluating a potential transaction relating to the Companies (the "**Transaction**").

In consideration of the disclosure by the Monitor to the undersigned of all or any portion of the Information, the sufficiency of which consideration is hereby acknowledged, the undersigned hereby undertakes and agrees as follows:

- 1. To maintain the Information in the strictest of confidence and to control the dissemination of the Information, including any documents or copies (paper, electronic or otherwise) and communications thereof contained in the Information, in accordance with the terms and conditions of this Confidentiality and Non-Disclosure Agreement ("**NDA**");
- 2. To use the Information solely for the purpose of evaluating the Companies and assessing the potential of submitting a bid to acquire the Companies (the "**Bidding Purpose**") and, for greater certainty, not for any other purpose;
- 3. To only disclose the Information to its employees, directors, officers, affiliates and associated corporations, auditors, accountants, agents, solicitors, lawyers, consultants and advisors (including financial advisors) who have a need to know the Information in connection with

the Bidding Purpose, including, if necessary, other potential sources of financing that the Monitor has consented to in writing in advance (collectively, the “**Representatives**”);

4. To advise the Representatives of the confidential nature of the Information and that the Representatives shall not further disseminate the Information except as permitted by this NDA;
5. The undersigned shall not, and shall cause its affiliates (together with the undersigned, the “**Covered Entities**”) not to, for a period of 12 months from the date hereof, solicit, employ or retain, any officer or employee of the Companies or any of their affiliates without the prior written consent of the Monitor; provided, that the Covered Entities shall not be precluded from hiring any person: (i) who responds on his or her own volition, without any overt or tacit encouragement by the Covered Entities, to a general solicitation or advertisement not targeted specifically at employees of the Companies or their affiliates; (ii) who contacts the Covered Entities on his/her own initiative without any direct or indirect solicitation or encouragement from the Covered Entities, other than any general solicitation or advertisement; (iii) whose employment with the Companies or their affiliates is terminated by the Companies or such affiliate; or (iv) with whom the Covered Entities have not had any contact with or of whom the Covered Entities have not become aware of in connection with the Transaction;
6. The undersigned shall be responsible for any breach of the provisions of this NDA by any of the Representatives to whom the undersigned discloses Information;
7. The undersigned acknowledges that it shall not be entitled to any Information that cannot be disclosed as a result of applicable privacy regulations including, without limitation, *The Personal Information Protection and Electronic Documents Act*;
8. In the event that the undersigned or any of its Representatives becomes legally compelled or is requested by any regulatory or other authority to disclose any of the Information by way of a deposition, interrogatory, court order or directive, request for documents, subpoena, summons, civil investigative demand or similar process, the undersigned agrees to first notify the Monitor (to the extent permitted to do so by applicable law) by delivering written notice to the address noted above, so that the Monitor or its legal representative may seek an appropriate protective order; provided, however, if such protective order or other remedy is not obtained, or the Monitor waives compliance with the provisions hereof, the undersigned or such Representative, as the case may be, may only disclose such Information which the undersigned or such Representative, as the case may be, is legally required to be disclosed;
9. The term “Information” does not include, and this NDA will not apply to, any information that: (i) at the time of disclosure or thereafter is generally available to or known by the public (other than as a result of a disclosure by the undersigned or any of its Representatives in violation of any obligation under this NDA); (ii) was already in the possession of, or is or becomes available to, the undersigned or any of its Representatives on a non-confidential basis from a source other than the Monitor who, insofar as was known to the undersigned or any of its Representatives, was not prohibited from transmitting the information to the undersigned or any of its Representatives by a contractual, legal or fiduciary obligation to the Companies, the Monitor or any third party; or (iii) has been independently acquired or developed by the undersigned or any of its Representatives without violation of any obligation under this NDA;

10. Upon receipt of a written request to the undersigned, the undersigned and its Representatives shall promptly return to the Monitor or destroy all Information received and copies thereof, printed, downloaded or otherwise copied provided that the undersigned will be permitted to retain: (i) the Information, or part thereof, for the sole purpose of satisfying and as long as required by, the requirements of any law, court or regulatory authority or governmental agency or authority; and (ii) electronic copies of records or files containing the Information which have been created by the undersigned's archiving and backup procedures, so long as such Information is not immediately retrievable as part of the undersigned's day-to-day business;
11. Neither the Monitor nor the Companies make any representation or warranty about the accuracy, adequacy or suitability of the Information for the Bidding Purpose or for any purpose. Only those representations or warranties that are made in a Definitive Agreement (defined below) when, as and if executed will have any legal effect;
12. The undersigned acknowledges that money damages may not be a sufficient remedy for breach of this NDA and that, in addition to all other remedies available, the Monitor shall be entitled to seek equitable relief, including, without limitation, injunction and specific performance as a remedy for breach of this NDA. Such remedies will not be exclusive remedies for any breach of this NDA but will be in addition to all other remedies available at law or in equity to the Monitor;
13. The undersigned acknowledges and agrees that it has had an opportunity to obtain independent legal advice as to the terms and conditions of this NDA and has either received same or expressly waived its right to do so;
14. The undersigned's obligations under this NDA shall remain in effect for a period of one (1) year from the date hereof;
15. Neither the undersigned nor the Monitor will be under any legal obligation with respect to the Transaction unless and until a definitive agreement (a "**Definitive Agreement**") between it and the Monitor (and any other party) is executed and delivered;
16. This NDA shall enure to the benefit of and be binding upon the parties hereto and the Monitor, and their respective successors and permitted assigns. This NDA shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein. Each party hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Nova Scotia with respect to any matter arising hereunder or related hereto;
17. No failure or delay by the Monitor in exercising any rights, powers or privileges under this NDA shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise of any rights, powers or privileges under this NDA;
18. No amendment to the terms and conditions of this NDA shall be valid and binding unless made in writing and signed by an authorized representative of each of the parties hereto;

19. This NDA may be executed and delivered by email in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

DATED this 15th day of March, 2025

4681814 Nova Scotia Limited

\ [SIGNING PARTY NAME]

Per: _____


Name: **Jim Kennedy**

Title:


Evan MacEachern


Michael Howard

Tab D

ASSET PURCHASE AGREEMENT

This Agreement dated ●, 2025 is made,

B E T W E E N:

KSV RESTRUCTURING INC., in its capacity as monitor of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the “Companies”) and not in its personal capacity or in any other capacity

(the “Vendor”)

and

●, a corporation incorporated under the laws of ●

(the “Purchaser” and together with the Companies, the “Parties”)

RECITALS

WHEREAS the Companies are subject to an Amended & Restated Initial Order dated December 20, 2024, issued by the Supreme Court of Nova Scotia which, among other things, granted protection to the Companies under the *Companies’ Creditors Arrangement Act*, as amended (the “**CCAA Proceeding**”);

AND WHEREAS the Purchaser wishes to purchase the assets and property of the Companies in accordance with the terms of this Agreement (as defined in section 1.1);

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties hereto agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions.**

In this Agreement, the following terms shall have the meanings set out below unless the context requires otherwise:

- (1) “**Acquired Contracts**” means the Contracts listed in Schedule 1.1.
- (2) “**Acquired Personal Property Leases**” means the Personal Property Leases listed in Schedule 1.2 as each is amended, restated, supplemented or otherwise modified from time to time.
- (3) “**Acquired Real Property**” means the real properties listed in the parcel registers listed in Schedule 1.3 together with the lands, buildings and improvements situated thereon.

(4) **“Acquired Real Property Leases”** means the lease agreements listed in Schedule 1.5 relating to the Leased Real Properties, as each is amended, restated, supplemented or otherwise modified from time to time.

(5) **“Adjustment Date”** has the meaning given in Section 2.6.

(6) **“Agreement”** means this Agreement, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement.

(7) **“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter. Applicable Law also includes, where appropriate, any interpretation of the Law (or any part) by any Person having jurisdiction over it, or charged with its administration or interpretation.

(8) **“Assignment Order”** means an order of the Court (as defined below), in form and substance satisfactory to the Purchaser, acting reasonably, assigning to the Purchaser the rights and obligations of the Companies under the Acquired Contracts and/or Acquired Personal Property Leases for which a consent, approval or waiver necessary for the assignment of such Acquired Contracts and Acquired Personal Property Leases has not been obtained, and which will include, if necessary, a mechanism for the resolution of any disputed Cure Costs (as defined below).

(9) **“Assumed Liabilities”** means only the Liabilities incurred under or in respect of:

- (i) the Acquired Contracts listed in Schedule 1.1, including, without limitation, any and all Cure Costs;
- (ii) the Acquired Personal Property Leases listed in Schedule 1.2, including, without limitation, any and all Cure Costs; and
- (iii) the Acquired Real Property Leases listed in Schedule 1.5, including, without limitation, any and all Cure Costs; and
- (iv) the Transferred Employees in respect of the period commencing at the Closing Time.

(10) **“Book Value”** means the value assigned to a particular category of goods or Inventory in the financial Books and Records of the applicable Company at any given time, recorded in accordance with past practices of such Company and applied consistently.

(11) **“Books and Records”** means all books, records, files and papers, including computer programs (including source and object code), software programs, manuals and data, sales and advertising materials, lists of present and former customers and suppliers, personnel, employment and other records related to Transferred Employees, and all copies and recordings of the foregoing, but only to the extent that any of the above are essential for the acquisition of the Purchased Assets, and if so, only if copies thereof are not sufficient for the Purchaser’s purposes.

(12) **“Business Day”** or **“Business Days”** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Halifax.

- (13) “**Calculation Date**” means 11:59 pm (Halifax time) on the day that is seven (7) days prior to the Closing Date.
- (14) “**Canadian Dollars**” means the lawful currency of Canada.
- (15) “**Closing**” means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement.
- (16) “**Closing Date**” has the meaning given in Section 3.2.
- (17) “**Closing Inventory Report**” has the meaning given in Section 2.4(1).
- (18) “**Closing Receivables Listing**” has the meaning given in Section 2.5(1).
- (19) “**Closing Time**” has the meaning given in Section 3.1.
- (20) “**Companies**” has the meaning ascribed thereto in the preamble above.
- (21) “**Contracts**” means all rights and interests of the Companies to and in all executory contracts, agreements and arrangements whether or not signed to which any of them is a party and/or by which any of the Purchased Assets is bound.
- (22) “**Court**” means the Supreme Court of Nova Scotia.
- (23) “**Cure Costs**” means the amount of all monetary defaults, if any, existing in respect of any Acquired Contracts, Acquired Personal Property Leases and/or Acquired Real Property Leases that are required to be paid in order to obtain the consent necessary to permit the assignment of such Acquired Contracts, Acquired Personal Property Leases and/or Acquired Real Property Leases.
- (24) “**Deposit**” has the meaning given in Section 2.3.
- (25) “**Employee**” means any individual who is employed in the Companies’ business on the date immediately prior to the Closing; “**Employees**” means more than one Employee.
- (26) “**Excluded Assets**” means only the following assets, property, or undertaking of the Companies:
- (a) all goods, machinery and equipment subject to true operating leases;
 - (b) the right to receive insurance recoveries under any insurance policies in existence on the date hereof in respect only of any claims with respect to Excluded Assets;
 - (c) cash, bank balances, moneys in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of any Companies;
 - (d) amounts owing from and claims against related parties;
 - (e) any tax rebates or refunds due to the Companies;
 - (f) the assets listed in Schedule 1.1; and

(g) any other assets that the Purchaser elects to exclude in writing prior to Closing in accordance with the terms of this Agreement.

(27) “**Governmental Entity**” means any federal, provincial, or municipal court, board, tribunal, arbitrator or arbitral panel, administrative agency or commission or other governmental or regulatory agency, ministry, department or authority.

(28) “**HST**” means the harmonized sales tax imposed under the *Excise Tax Act* (Canada).

(29) “**Intellectual Property**” means any or all of the following items, wherever located: all patents and patent rights, trademarks and trademark rights, trade names and trade name rights, service marks and service mark rights, service names and service name rights, copyrights and copyright rights, brand names, trade dress, business and product names, domain names, corporate names, logos, slogans, trade secrets, inventions, processes, formulae, industrial models, designs, specifications, data, technology, methodologies, computer programs (including all source code), confidential and proprietary information, whether or not subject to statutory registration, all related technical information, manufacturing, engineering and technical drawings, know how, all pending applications for and registrations of patents, trademarks, service marks and copyrights, including all obligations of third parties relating to the protection of the foregoing, the goodwill associated with the foregoing, and the right to sue for past payment, if any, in connection with any of the foregoing, and all documents, disks and other media on which any of the foregoing is stored.

(30) “**Inventories**” means all inventories of stock-in-trade and merchandise including materials, supplies, work-in-progress and purchased finished goods (including those in possession of suppliers, customers and other third parties).

(31) “**Law**” means common law, order, judgment, decree, law, statute, rule, or regulation of any Governmental Entity.

(32) “**Leased Real Properties**” means the real properties municipally described in Schedule 1.4.

(33) “**Liabilities**” means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, under or in respect of any contract, agreement, arrangement, lease, commitment or undertaking, Applicable Law and Taxes.

(34) “**Lien**” means any lien, mortgage, charge, hypothec, pledge, security interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property.

(35) “**Monitor**” means KSV Restructuring Inc., in its capacity as Court-appointed monitor in the CCAA Proceeding.

(36) “**Monitor’s Certificate**” means the certificate delivered to the Purchaser, and filed with the Court, by the Monitor certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor, in its sole discretion, from each of the Vendor and the Purchaser that all conditions to Closing have been satisfied or waived by the applicable Parties and the Transaction contemplated by this Agreement have been completed.

- (37) “**Outside Date**” means [•] or such later date as the parties may agree in writing.
- (38) “**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns; “**Parties**” means every Party.
- (39) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.
- (40) “**Personal Property**” means all machinery, equipment, furniture, computer hardware and other chattels (including those in possession of third parties).
- (41) “**Personal Property Leases**” means chattel leases, equipment leases, rental agreements and conditional sales contracts.
- (42) “**Post-Closing Adjustment**” has the meaning given in Section 2.6.
- (43) “**Purchase Price**” has the meaning given in Section 2.2.
- (44) “**Purchased Assets**” means all the Rights, title and interest of the Companies in and to the following assets, but excluding the Excluded Assets:
- (a) the Acquired Contracts;
 - (b) the Acquired Personal Property Leases;
 - (c) the Acquired Real Property Leases;
 - (d) the Books and Records;
 - (e) the Intellectual Property;
 - (f) the Inventories;
 - (g) the Personal Property;
 - (h) the Acquired Real Property; and
 - (i) the Receivables.
- (45) “**Purchaser**” has the meaning given in the recitals above.
- (46) “**Receivables**” means all accounts receivable, bills receivable, trade accounts, book debts and other amounts owed to the Companies, including recoverable deposits.
- (47) “**Rights**” has the meaning given in Section 3.5.
- (48) “**Taxes**” means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a

tax including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any governmental authority (including federal, state, provincial, municipal and foreign governmental authorities), and whether disputed or not.

(49) “**Transaction**” means the transaction of purchase and sale contemplated by this Agreement.

(50) “**Transferred Employees**” means Employees who have accepted an offer of employment from the Purchaser as of the Closing.

(51) “**Vendor**” has the meaning given in the recitals above.

(52) “**Vendor’s Solicitor**” means Reconstruct LLP.

(53) “**Vesting Order**” means an order made by the Court vesting in the Purchaser all the right, title and interest of the Companies in the Purchased Assets free and clear of all Liens.

1.2 **Headings and Table of Contents.**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 **No Strict Construction.**

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 **Number and Gender.**

Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word “including” or “includes” is used in this Agreement, it means “including (or includes) without limitation”.

1.5 **Business Days.**

If any payment is required to be made or other action is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be made or taken on the next Business Day.

1.6 **Currency and Payment Obligations.**

Except as otherwise expressly provided in this Agreement:

- (a) all dollar amounts referred to in this Agreement are stated in Canadian Dollars; and
- (b) any payment contemplated by this Agreement shall be made by cash, certified cheque or any other method that provides immediately available funds.

1.7 **Statute References.**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

1.8 **Section and Schedule References.**

Unless the context requires otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement. The Schedules to this Agreement, listed as follows, are an integral part of this Agreement:

Schedule 1.1	Acquired Contracts
Schedule 1.2	Acquired Personal Property Leases
Schedule 1.3	Acquired Real Property
Schedule 1.4	Leased Real Properties
Schedule 1.5	Acquired Real Property Leases
Schedule 2.1	Excluded Assets
Schedule 3.1	Allocation of Purchase Price

ARTICLE 2 **PURCHASE OF ASSETS**

2.1 **Agreement to Purchase and Sell.**

Subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets on an “*as is, where is*” and “*without recourse*” basis as they shall exist on the Closing Date.

2.2 **Amount of Purchase Price.**

The purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the “**Purchase Price**”) shall be • (\$•), as adjusted on the Closing Date in accordance with Sections 2.4 and 2.5 and on the Adjustment Date in accordance with Section 2.6, and shall be allocated among the Purchased Assets as set out in Schedule 3.1.

2.3 **Deposit.**

Concurrently with the execution of this Agreement, the Purchaser shall pay to the Vendor the sum of \$• as a deposit (the “**Deposit**”), being no less than 10% of the Purchase Price. The Vendor shall invest the Deposit in an interest-bearing account of a Canadian chartered bank or trust company, in trust, to be disbursed in accordance with the following provisions:

- (1) if the purchase and sale of the Purchased Assets is completed in accordance with the terms of this Agreement, then the Deposit shall be released from trust with interest and applied towards payment of the Purchase Price;
- (2) if the purchase and sale of the Purchased Assets is not completed in accordance with the terms of this Agreement, then the Deposit shall be dealt with in accordance with the provisions of Article 4.

2.4 **Inventories.**

- (1) On the Calculation Date, the Vendor shall deliver a report for each of the Companies showing their respective Inventory by category and the total Book Value of such Inventory as of the Calculation Date (the “**Closing Inventory Report**”). The Vendor shall deliver such report to the Purchaser to review and for the Parties to finalize the Purchase Price as of the Closing Date. To the extent the aggregate value of Inventory in the Closing Inventory Report is higher or lower than the Book Value of such Inventory as of March 31, 2025, then the Purchase Price will be increased or decreased dollar for dollar by the difference on Closing.
- (2) The Parties agree that the value of the Inventory to be added to or deducted from the Purchase Price shall be the aggregate value of all categories of Inventory contained in the Closing Inventory Report. The Book Value of the Inventory shall be calculated consistently with the Company’s historical accounting practices.

2.5 **Receivables.**

- (1) On the Calculation Date, the Vendor shall deliver a list of the Receivables of the Companies as of the Calculation Date (the “**Closing Receivables Listing**”). The Vendor shall deliver such list to the Purchaser to review and for the Parties to finalize the Purchase Price as of the Closing Date. To the extent the Closing Receivables Listing is higher or lower than the Book Value of the Receivables as of March 31, 2025, then the Purchase Price will be increased or decreased dollar for dollar by the amount of the difference(s) on Closing.
- (2) The Parties agree that the value of the Receivables to be added to or deducted from the Purchase Price shall be the aggregate value of the Receivables in the Closing Receivables Listing. The Book Value of the Receivables shall be calculated consistently with the Company’s historical accounting practices.

2.6 **Post-Closing Adjustment**

No later than 30 days following the Closing Date (the “**Adjustment Date**”), the Vendor and the Purchaser shall determine the Book Values of the Inventory and the Receivables as of the Closing Date. The Purchaser shall pay the Vendor the difference between the combined Book Values of the Inventory and Receivables if the sum of those amounts exceeds their Book Values as of the Closing Date and the Vendor shall pay the Purchaser the difference between the combined Book Values of the Inventory and Receivables if the sum of those amounts is less than their Book Values as of the Closing Date (the “**Post-Closing Adjustment**”). Book Value will be calculated consistently with the Companies’ historical accounting practices at the Calculation Date, the Closing Date and the Adjustment Date.

2.7 **Payment of Purchase Price.**

The Purchase Price shall be paid and satisfied by the Purchaser at the Closing as follows:

- (1) the Deposit shall be paid to the Vendor and credited against the Purchase Price in accordance with Section 2.3(1);
- (2) the balance of the Purchase Price shall be paid to the Vendor by way of wire transfer, or as the Vendor may direct in writing; and

- (3) the Post-Closing Adjustment shall be paid no later than five (5) business days following the Adjustment Date:
 - (a) by the Purchaser to the Vendor if the Post-Closing Adjustment results in an increase in the Purchase Price; or
 - (b) by the Vendor to the Purchaser if the Post-Closing Adjustment results in a decrease in the Purchase Price.

2.8 **Allocation of Purchase Price.**

The Purchase Price shall be allocated among the Purchased Assets in the manner agreed to by the Purchaser and Vendor prior to Closing (acting reasonably) and as set out in Schedule 3.1. The Parties shall file their respective income tax returns prepared in accordance with such allocations.

2.9 **HST & Land Transfer Tax.**

- (1) At the Closing, if the Purchaser is a registrant, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the *Excise Tax Act* (Canada) to have the sale of the Purchased Assets take place on a HST-free basis under Part IX of the *Excise Tax Act* (Canada) and the Purchaser shall file such election with its HST return for the reporting period in which the sale of the Purchased Assets takes place. The Purchaser will indemnify the Vendor against any tax, interest or penalties arising from a determination that the conditions for filing the election pursuant to s.167(1) of the *Excise Tax Act* (Canada) have not been satisfied for any reasons other than the inaccuracy of any of the representations and warranties made by the Vendor. The Purchaser shall further provide the Vendor with an undertaking to self assess, remit, file and pay HST and indemnify the Vendor from any and all HST arising from the completion of the Transaction. This covenant and indemnity survive the closing of the purchase and sale of the Purchased Assets and shall continue in full force and effect for the benefit of the Vendor indefinitely after the Closing Date.
- (2) The Purchaser shall be responsible for and pay any land transfer taxes payable on the transfer of the Acquired Real Property, including without limitation any “Non-Resident Deed Transfer Tax”, all registration fees payable in respect of registration by it of any documents on Closing (other than discharges of encumbrances which are required to be made by the Vendor, which will be the responsibility of the Vendor), and all other taxes and fees payable by a purchaser upon or in connection with the conveyance or transfer of the Acquired Real Property to it.

2.10 **Section 22 Election.**

The Purchaser and the Vendor shall execute jointly an election in prescribed form under Section 22 of the *Income Tax Act* (Canada) in respect of the Receivables and shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date.

2.11 **Acquired Contracts, Acquired Personal Property Leases and Acquired Real Property Leases**

The Purchaser, with the Companies’ and Monitor’s consent, will request any consents necessary, if any, to permit the assignment to the Purchaser of the Acquired Contracts, Acquired Personal Property Leases and Acquired Real Property Leases. The Companies and the Monitor will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including, at the expense of the Purchaser, by

obtaining an Assignment Order and by providing financial and other information of the Companies requested by the Purchaser or party to such Acquired Contract, Acquired Personal Property Lease and Acquired Real Property Leases.

The Purchaser will be responsible for all Cure Costs in respect of any Acquired Contracts, Acquired Personal Property Leases and Acquired Real Property Leases.

2.12 **Excluded Liabilities.**

Other than the Assumed Liabilities, the Purchaser shall not assume and shall not be liable for any debts, liabilities or other obligations of any one or all of the Companies.

2.13 **Excluded Assets.**

Notwithstanding anything to the contrary in this Agreement, the Purchaser may, at its option, exclude any of the Purchased Assets from the Transaction, upon written notice to the Vendor and the Monitor no later than five (5) Business Days prior to the Closing Date, whereupon the Purchased Assets shall not include any of the Excluded Assets, provided, however, that there shall be no adjustment in the Purchase Price.

ARTICLE 3 **CLOSING ARRANGEMENTS**

3.1 **Closing.**

The Closing shall take place at 10:00 a.m. on the Closing Date (the “**Closing Time**”) at the offices of the Vendor’s Solicitor, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser, with the consent of the Monitor.

3.2 **Closing Date.**

The Transaction shall be completed by the Parties within three (3) Business Days following the date on which the Vesting Order shall have been obtained, or such other date as may be agreed between the parties hereto in writing, with the consent of the Monitor (the “**Closing Date**”). If, prior to the Closing, the Vesting Order shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Closing Date may be extended by the Vendor, in which case the Closing Date shall mean the day that is ten (10) Business Days after the date on which any such appeals and/or proceedings are dismissed.

3.3 **Vendor’s Closing Deliveries.**

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

- (1) the elections referred to in Sections 2.9(1) and 2.10;
- (2) a certificate, dated as of the Closing Date addressed to the Purchaser and the Monitor, confirming that (i) all of the representations and warranties of the Vendor contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date

and (ii) that each of the conditions precedent in Section 4.3 of this Agreement have been fulfilled, performed or waived as of the Closing Date;

- (3) the Vesting Order(s) and the vesting certificate relating thereto; and
- (4) all deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably requested by the Purchaser to complete the Transaction.

3.4 **Purchaser's Closing Deliveries.**

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor the following documents and payments:

- (1) the payment of the Purchase Price less the Deposit;
- (2) the elections referred to in Sections 2.9(1) and 2.10;
- (3) a certificate, dated as of the Closing Date addressed to the Vendor, confirming that (i) all of the representations and warranties of the Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date and (ii) that each of the conditions precedent in Section 4.1 of this Agreement have been fulfilled, performed or waived as of the Closing Date;
- (4) all such other agreements, documents and instruments as may be reasonably requested by the Vendor to complete the Transaction.

3.5 **Non-Transferable and Non-Assignable Purchased Assets.**

To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such Purchased Assets (collectively, the “Rights”), is not capable of being transferred without the approval, consent or waiver of any third Person, or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any Applicable Law unless the approval, consent or waiver of such third Person is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until such approval, consent or waiver has been obtained. After the Closing and for a period of ten (10) Business Days following the Closing, or such later date as the Parties may agree, the Vendor shall:

- (a) hold the Rights in trust for the Purchaser;
- (b) comply with the terms and provisions of the Rights as agent for the Purchaser at the Purchaser's sole cost and for the Purchaser's benefit;
- (c) cooperate with the Purchaser in any reasonable and lawful arrangements designed to provide the benefits of such Rights to the Purchaser; and
- (d) enforce, at the reasonable request of the Purchaser and at the expense and for the account of the Purchaser, any rights of the Vendor arising from such Rights against any third

Person, including the right to elect to terminate any such Rights in accordance with the terms of such Rights upon the written direction of the Purchaser.

In order that the full value of the Rights may be realized for the benefit of the Purchaser, the Vendor shall, at the request and expense and under the direction of the Purchaser, in the name of the Vendor or otherwise as the Purchaser may specify, take all such action and do or cause to be done all such things as are, in the reasonable opinion of the Purchaser, necessary or proper in order that the obligations of any Company or of the Companies under such Rights may be performed in such manner that the value of such Rights is preserved and enures to the benefit of the Purchaser, and that any moneys due and payable and to become due and payable to the Purchaser in and under the Rights are received by the Purchaser. The Vendor shall promptly pay to the Purchaser all monies collected by or paid to the Vendor in respect of every such Right. To the extent that such approval, consent or waiver has not been obtained by the tenth (10th) Business Day following the Closing, or such later date as the Parties may agree, such Right shall be deemed to be an Excluded Asset and the Vendor may terminate any agreement pertaining to such Right. The Purchaser shall indemnify and hold the Vendor harmless from and against any claim or Liability under or in respect of such Rights arising because of any action of the Vendor taken in accordance with this Section.

3.6 **Risk.**

The Purchased Assets are and shall remain at the Companies' risk until Closing, and the Vendor shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing. From and after Closing, the Purchased Assets shall be at the risk of the Purchaser. In the event that any of the Purchased Assets are materially damaged prior to Closing, then the Vendor shall advise the Purchaser, in writing, within two (2) Business Days of the Vendor learning of same. If the cost of rectifying such damage exceeds • Dollars (\$•), as determined by a third-party expert appointed by the Vendor, then the Vendor shall be entitled, in their sole and absolute discretion, to elect to terminate this Agreement by notice, in writing, to the Purchaser and in such event the Parties hereto shall be released from all obligations and liabilities hereunder. If the Vendor shall not elect to terminate this Agreement as set out above, or if the cost of rectifying such damage does not exceed • Dollars (\$•), then the Transaction shall be completed.

ARTICLE 4 **CLOSING**

4.1 **Purchaser's Conditions.**

The Purchaser shall not be obliged to complete the purchase and sale of the Purchased Assets pursuant to this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing by the Purchaser at any time; and the Vendor agrees with the Purchaser to take all such actions, steps and proceedings within their reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (1) *Representations and Warranties.* The representations and warranties of the Vendor in Section 5.2 shall be true and correct at the Closing.
- (2) *Vendor's Compliance.* The Vendor shall have performed and complied with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before Closing and shall have executed and delivered or caused to have been executed and delivered to the

Purchaser at the Closing all the documents contemplated in Section 3.3 or elsewhere in this Agreement.

- (3) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving any of the business or the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.
- (4) *Vesting Order(s).* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.

4.2 **If Purchaser's Condition not Fulfilled.**

If any condition in Section 4.1 has not been fulfilled at or before the Closing Time, or if a condition in Section 4.1 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Purchaser to comply with its obligations under this Agreement), then the Purchaser in its sole discretion may either:

- (1) terminate this Agreement by notice to the Vendor, in which event the Purchaser shall be released from its obligations under this Agreement and the Deposit and all accrued interest shall be promptly returned to the Purchaser; or
- (2) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfillment of any other condition.

4.3 **Vendor's Conditions.**

The Vendor shall not be obliged to complete the Transaction unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Vendor, and may be waived, in whole or in part, in writing by the Vendor at any time; and the Purchaser agrees with the Vendor to take all such actions, steps and proceedings within the Purchaser's reasonable control as may be necessary to ensure that the following conditions are fulfilled at or before the Closing Time:

- (1) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be to be performed by or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing Time all the documents contemplated in Section 3.4 or elsewhere in this Agreement.
- (2) *Vesting Order.* The Vesting Order shall have been obtained and shall not have been stayed, varied or set aside.
- (3) *No Litigation.* There shall be no litigation or proceedings pending against any of the Parties hereto, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper.

4.4 **If Vendor's Condition not Fulfilled.**

If any condition in Section 4.3 shall not have been fulfilled at or before the Closing Time, or if a condition in Section 4.3 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Vendor to comply with their obligations under this Agreement), then the Vendor in their sole discretion may, without limiting any rights or remedies available to the Vendor at Law or in equity, either:

- (1) terminate this Agreement by notice to the Purchaser in which event the Vendor shall be released from all obligations under this Agreement and, if the condition that was not fulfilled was contained in Section 4.1, the Deposit and all accrued interest shall be promptly returned to the Purchaser and the Purchaser shall be released from all obligations under this Agreement; or
- (2) waive compliance with any such condition without prejudice to their rights of termination in the event of non-fulfillment of any other condition.

4.5 **Monitor**

When all conditions to Closing set out in this Article 4 have been satisfied or waived by the Vendor or the Purchaser, as applicable, the Vendor and the Purchaser, or their respective counsel, shall each deliver to the Monitor written confirmation, in form and substance satisfactory to the Monitor, that all conditions to Closing have been satisfied or waived, subject to the Monitor's delivery of the Monitor's Certificate to the Purchaser in accordance with the Vesting Order. Upon receipt of such written confirmation, the Monitor shall: (i) issue forthwith its Monitor's Certificate in accordance with the Vesting Order; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to each of the Vendor and the Purchaser). The Parties hereby acknowledge and agree that the Monitor will be entitled to file the Monitor's Certificate with the Court without independent investigation upon receiving written confirmation from the Vendor and the Purchaser that all conditions to Closing have been satisfied or waived, and the Monitor will have no liability whatsoever to any of the Vendor or Purchaser or any other Person as a result of filing the Monitor's Certificate.

ARTICLE 5 **REPRESENTATIONS AND WARRANTIES**

5.1 **Representations and Warranties of the Purchaser.**

As a material inducement to the Vendor entering into this Agreement and completing the Transaction and acknowledging that the Vendor are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 5.1, the Purchaser represents and warrants to the Vendor as follows:

- (1) *Incorporation and Power.* The Purchaser is a corporation duly incorporated under the Law of the jurisdiction of its incorporation and is duly organized, validly subsisting and in good standing under such Law.
- (2) *Due Authorization.* The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments. The execution and delivery of this Agreement and such other agreements and instruments and the completion of the Transaction and such other agreements and

instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.

- (3) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors or others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (4) *Financial Ability.* The Purchaser has the financial ability through its own resources or through financing that has been arranged and approved by a recognized financial lending institution, to close the Transaction and pay the balance of the Purchase Price on the Closing Date. The Purchaser confirms that it shall deliver to the Vendor, upon request, evidence of such financial ability by way of a copy of a binding commitment letter or letter from its banking institution confirming the foregoing, or such other evidence as the Vendor may deem appropriate.
- (5) *HST/GST.* The Purchaser is a “registrant” under Part IX of the *Excise Tax Act* (Canada) and its registration number is R● or the Purchaser will be such a “registrant” at the Closing Time and will notify the Vendor of its registration number prior to such time.

5.2 **Representations and Warranties of the Vendor.**

As a material inducement to the Purchaser entering into this Agreement and completing the Transaction and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendor set out in this Section 5.2, the Vendor represents and warrants to the Purchaser as follows:

- (1) *Non-Residency:* The Companies are not now and do not intend to become, prior to Closing, a non-resident of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada).
- (2) *Authority to Sell:* Subject to obtaining the Vesting Order prior to Closing, on Closing the Vendor shall have the power and authority to sell the Purchased Assets, in accordance with the terms and conditions of this Agreement and the Vesting Order.

5.3 **Survival of Representations and Warranties.**

The representations and warranties of the Purchaser and Vendor contained in Sections 5.1 and 5.2, respectively, or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive the termination of this Agreement and the completion of the Transaction.

5.4 **“As is, Where is, Without Recourse”.**

The Purchaser acknowledges that the Vendor are selling the Purchased Assets on an “as is, where is” and “without recourse” basis as they shall exist on the Closing Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing

whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Nova Scotia) or similar legislation do not apply hereto and have been waived by the Purchaser. Without limiting the generality of the foregoing, the description of the Purchased Assets contained in the Schedules hereto is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions. The Purchaser further acknowledges that all written and oral information (including, without limitation, analyses, financial information and projections, compilations and studies) obtained by the Purchaser from the Vendor with respect to the Purchased Assets or otherwise relating to the Transaction has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete. The Purchaser further acknowledges that the Vendor shall be under no obligation to deliver the Purchased Assets to the Purchaser and that it shall be the Purchaser's responsibility to take possession of the Purchased Assets.

5.5 **Employees.**

The Purchaser may offer employment, as of the Closing Time, to those Employees it so wishes to employ on terms and conditions of employment which are substantially similar to the current terms provided. For greater certainty, the Purchaser shall not be obligated to offer employment to any Employee. The Purchaser shall provide the Vendor with the names of Employees who will not be offered employment or who have not accepted an offer of employment by no later than five (5) Business Days prior to Closing.

ARTICLE 6 **POST-CLOSING MATTERS**

6.1 **Access to Books and Records.**

After Closing, the Purchaser shall provide the Vendor with access to the Books and Records for a period of six (6) years before the Closing Date, and, at the request of the Monitor, the Purchaser shall provide the Monitor with an electronic copy of all such Books and Records. The Purchaser shall not destroy any Books and Records without providing the Vendor with thirty (30) days' written notice of the Purchaser's intention to destroy such Books and Records. If the Vendor objects to the destruction of any or all of such Books and Records within thirty (30) days of receiving such notice, then the Vendor shall be responsible to collect such Books and Records from the Purchaser at a mutually agreeable date and time, failing which the Purchaser may proceed to destroy such Books and Records.

6.2 **Non-Merger.**

Each party hereby agrees that all provisions of this Agreement, other than the conditions in Article 4, shall forever survive the execution, delivery and performance of this Agreement, Closing and the execution, delivery and performance of any and all documents delivered in connection with this Agreement.

6.3 **Further Assurances.**

Each Party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things in connection with this Agreement that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

ARTICLE 7

GENERAL

7.1 Expenses.

Each Party shall be responsible for its own legal and other expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transaction and for the payment of any broker's commission, finder's fee or like payment payable by it in respect of the purchase and sale of the Purchased Assets pursuant to this Agreement.

7.2 Payment of Taxes.

Except as otherwise provided in this Agreement, the Purchaser shall pay all Taxes applicable to, or resulting from Transaction (other than Taxes payable under applicable legislation by the Vendor) and any filing or recording fees payable in connection with the instruments of transfer provided for in this Agreement. The Purchaser shall indemnify and save the Vendor harmless from and against any and all costs, expenses, liabilities and damages incurred or suffered by the Vendor as a result of the failure of the Purchaser to pay any Taxes.

7.3 Announcements.

Except as required by law, all public announcements concerning the Transaction or contemplated by this Agreement shall be jointly approved as to form, substance and timing by the parties to this Agreement and the Monitor, after consultation.

7.4 Notices.

- (1) Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below:

- (i) if to the Purchaser, to:

[•]
[Address]

Attention: •
Email: •

with a copy to:

•

(ii) if to the Vendor, to:

KSV RESTRUCTURING INC.
220 Bay Street, 13th Floor
Toronto, ON M5J 2W4

Attention: Bobby Kofman
Email: bkofman@ksvadvisory.com

Attention: Mitch Vininsky
Email: mvininsky@ksvadvisory.com

with a copy to:

Reconstruct LLP
80 Richmond Street West, Suite 1700
Toronto, ON M5H 2A4

Attention: Sharon Kour
Email: skour@reconllp.com

- (2) Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of sending by electronic communication, provided that such day in either event is a Business Day and the communication is so delivered or sent before 4:30 p.m. (Atlantic Time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth (5th) Business Day following the mailing thereof; provided however that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.
- (3) Any Party may from time to time change its address under this Section 7.4 by written notice to the other Party given in the manner provided by this Section.

7.5 **Time of Essence.**

Time shall be of the essence of this Agreement in all respects.

7.6 **Time Periods.**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

7.7 **Entire Agreement.**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises,

warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

7.8 **Amendments and Waiver.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Purchaser and the Vendor. The Vendor and the Purchaser may consent to any such amendment at any time prior to the Closing with the prior authorization of their respective boards of directors. No waiver by either Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

7.9 **Severability.**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

7.10 **Language.**

The Parties have required that this Agreement and all deeds, documents and notices relating to this Agreement be drawn up in the English language.

7.11 **Governing Law.**

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Nova Scotia and the Laws of Canada applicable in that Province and shall be treated, in all respects, as a Nova Scotia contract.

7.12 **Successors and Assigns.**

No Party to this Agreement shall have the right to assign any of its rights and obligations hereunder without the prior written consent of the other Party hereto, which consent shall not be unreasonably withheld. The Purchaser may assign its rights and obligations under this Agreement to an affiliate of the Purchaser, provided that the Purchaser remains liable, jointly, with such affiliate for all the obligations of the Purchaser hereunder. To the extent that any such assignment occurs, this Agreement and all provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

7.13 **No Third Party Beneficiaries.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns or as specifically referred to herein.

7.14 **Counterparts.**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or email PDF form and the Parties adopt any signatures received by a receiving fax machine or email PDF as original signatures of the Parties; provided, however, that any Party providing its signature in such manner shall promptly forward to the other Party an original of the signed copy of this Agreement which was so faxed or emailed.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement.

KSV RESTRUCTURING INC., in its capacity as
monitor of Blue Lobster Capital Limited, 3284906
Nova Scotia Limited, 3343533 Nova Scotia Limited
and 4318682 Nova Scotia Limited and not in its
personal capacity or in any other capacity

By: _____
Name:
Title:

I have authority to bind the corporation.

[PURCHASER]

By: _____
Name: •
Title: •

I have authority to bind the corporation

SCHEDULE 1.1

Acquired Contracts

SCHEDULE 1.2

Acquired Personal Property Leases

SCHEDULE 1.3

Acquired Real Property and Parcel Registers

Owned by 3284906 Nova Scotia Limited (Nova Scotia Spirit Co.):

- (a) Foord Street Distillery – 230 Foord Street, Stellarton, NS
- (b) Trafalgar Warehouse – 6264 Trafalgar Road, Stellarton, NS
- (c) Trenton Warehouse – 4558 Pictou Landing Road, Trenton, NS

Owned by 3343533 Nova Scotia Limited (Lost Bell Winery):

- (d) West Hants Winery – 11 Dudley Park Lane, Falmouth, NS

Owned by 4318682 Nova Scotia Limited (Annapolis Cider Co.):

- (e) Port Williams Warehouse – 1161 Parkway Drive, Port Williams, NS

Owned by Blue Lobster Capital Limited:

- (f) 61-63 Provost Street, New Glasgow NS
- (g) 14 Allen Avenue, Stellarton NS
- (h) 140 George Street, Stellarton NS
- (i) 18 Claremont Street, Stellarton NS
- (j) 2138 Brunswick Street, Halifax NS
- (k) 224 Old Post Road, Crapaud PEI

SCHEDULE 1.4

Leased Real Properties

Leased by 4318682 Nova Scotia Limited (Annapolis Cider Co.)

- (a) Wolfville Cidery – 386/388 Main Street, Wolfville, NS

Leased by Blue Lobster Capital Limited

- (a) Stellarton Office – 63 Provost Street, New Glasgow, NS

SCHEDULE 1.5

Acquired Real Property Leases

Lease Agreement dated • between • and 4318682 Nova Scotia Limited (Annapolis Cider Co.) in respect of the Wolfville Cidery located at 386/388 Main Street, Wolfville, NS.

Lease Agreement dated • between • and Blue Lobster Capital Limited in respect of the Stellarton Office – 63 Provost Street, New Glasgow, NS. **[NTD: subject to confirmation of lease]**

SCHEDULE 2.1

Excluded Assets

SCHEDULE 3.1

Allocation of Purchase Price

Answers to Interrogatories of the Monitor dated July 3 2025 1396-3377-0520 v.2

Final Audit Report


2025-07-04

Created:	2025-07-04
By:	Brendan Bissell (bbissell@reconllp.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQpoNdNp5GF24dw3lQZl1HPH8S9CRBODv

"Answers to Interrogatories of the Monitor dated July 3 2025 1396-3377-0520 v.2" History

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2025-07-04 - 0:22:06 AM GMT

 Document emailed to Bobby Kofman (bkofman@ksvadvisory.com) for signature

2025-07-04 - 0:22:36 AM GMT

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2025-07-04 - 0:23:14 AM GMT

 Document e-signed by Bobby Kofman (bkofman@ksvadvisory.com)

Signature Date: 2025-07-04 - 0:33:36 AM GMT - Time Source: server

 Agreement completed.

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