

**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**”), (the “**Companies**”)

**AFFIDAVIT OF KEVIN ALEXANDER RICE**

I, **Kevin Alexander Rice**, of Halifax, Nova Scotia, **MAKE OATH AND SAY THAT:**

1. I am the President 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 “**Companies**”. As such, I have direct knowledge of the Companies’ businesses and financial affairs.
2. This Affidavit is sworn in support of the Companies’ motion under s. 11 of the CCAA for an order to terminate the CCAA proceeding (the “**CCAA Termination Order**”). Where capitalized terms are used herein but not defined, they correspond to the terms as defined in the Notice of Motion seeking approval of the CCAA Termination Order (the “**CCAA Termination Motion**”) and draft CCAA Termination Order attached thereto, the supporting Memorandum of Fact and Law, or in the Initial Order.
3. I have reviewed the CCAA Termination Motion and can confirm that the facts contained therein are true to the best of my knowledge, information, and belief. Where the information provided herein is not based on my direct knowledge, I have indicated the third-party source for that information.
4. I refer the Court to my initial affidavit filed on 27 November 2024 (the “**Initial Affidavit**”) which outlines the Companies’ financial circumstances and the background to their

CCAA filing. In brief, the Companies' assets include a significant amount of real estate and a going concern business operating as "Nova Scotia Spirit Co.". Prior to the CCAA the Companies were in ongoing discussions with various lenders to refinance their debt with the Royal Bank of Canada ("**RBC**") who had indicated earlier in 2024 that they intended to exit the credit relationship due to various alleged breaches of the RBC credit agreements.

5. The primary issue raised by RBC supporting its desire to terminate the credit relationship was that the Companies missed certain reporting obligations required by the RBC credit agreements. In November 2024, RBC sought to appoint a receiver. The Companies responded by seeking protection under the CCAA.
6. The Companies had an initial appearance before the Honourable Supreme Court of Nova Scotia on 27 November 2024, wherein the parties were encouraged to reach a consensual path forward on the competing motions for receivership vs. CCAA.
7. After some discussion, the parties reached an agreement on 11 December 2024 which was memorialized in a letter sent by counsel for the RBC to the Court, attached hereto as **Exhibit "A"**. As a condition of moving forward on a consensual basis, the letter stated that, if the Companies refinance efforts were not complete by the end of February 2025, the Companies would commence a broader sales and investment solicitation process ("**SISP**"). At the Companies request, the letter specifically stated that their refinance efforts would be continued in conjunction with the SISP. We refer to this agreement as the "**CCAA Process Agreement**".
8. The Initial Order was granted on 13 December 2024 and was amended and restated on 20 December 2024 (the "**ARIO**").
9. The Companies were unable to re-finance their debt in a manner satisfactory to RBC before the end of February 2025. As a result, consistent with the CCAA Process Agreement, the Companies cooperated with the Monitor and applied for an order from this Honorable Court approving the SISP with a commencement date of 15 March 2025 and closing date of 09 May 2025. The SISP Order was granted on 07 March 2025.

10. Before and during the SISP, the Companies repeatedly confirmed to the Monitor that they were continuing to pursue refinance efforts consistent with the CCAA Process Agreement. Similarly, the Companies were repeatedly reassured by the Monitor that if they raised sufficient funds to repay their debt in its entirety, there would be no choice but to support an exit from the CCAA process. These discussions were verbal and took place directly between me and the Monitor. I am informed and verily believe that similar conversations took place between my counsel and the Monitor or the Monitor's counsel.
11. Between 15 March 2025 and 09 May 2025, the Companies continued to pursue a refinance.
12. On 07 May 2025, the Companies received a long overdue term sheet from Farm Credit Canada ("**FCC**") in the amount of \$4,000,000.00 (the "**FCC Loan**"). In addition to this, the Companies had negotiated the sale of Lost Bell Winery. The FCC Loan proceeds and the Lost Bell Winery proceeds, combined with a personal injection of funds from the current shareholders of the Companies, provided the Companies with sufficient funds to retire RBC's debt in full and pay out approximately 70% of the unsecured debt. In addition, Blue Lobster Capital Ltd. entered a payment plan with the Canada Revenue Agency ("**CRA**") to retire CRA's debt over a twenty-four (24) month period post-closing.
13. Due to the timing of the 07 May 2025 term sheet from FCC, our counsel immediately contacted the Monitor to confirm that a Plan of Arrangement would be forthcoming which would include the details outlined in paragraph 12 above. I am informed and do verily believe that our counsel, Wayne Myles KC, contacted the Monitor on 07 May 2025 by telephone to inform him of the same.
14. Following the initial telephone conversation on 07 May 2025, my counsel provided our draft Plan of Arrangement for 09 May 2025, the SISP Closing Date, for consideration alongside the SISP bids as opposed to filing it separately for court approval with our draft motion for a meeting of creditors. My counsel made it explicit that this Plan of Arrangement was "submitted as a plan of arrangement pursuant to s.4.1(1) and 4.1(2)



of the CCAA". A copy our covering memorandum provided with our draft Plan of Arrangement is attached hereto as **Exhibit "B"**.

15. In response to receiving our draft Plan of Arrangement, the Monitor informed us on 09 May 2025 that he would review the same and be in contact to discuss it with us.
16. As we were permitted to do, we continued to pursue our ongoing refinance efforts subsequent to 09 May 2025, consistent with the CCAA Process Agreement. It was always our goal to complete the CCAA process with all creditors repaid in full, and we hoped to increase our available credit so that a Plan of Arrangement would not be necessary, and we could repay our creditors in full and exit the CCAA Process.
17. Following the 09 May 2025 submission of our draft Plan of Arrangement, we did not hear from the Monitor for the next 11 days.
18. On 20 May 2025, our counsel followed up with the Monitor for input on our draft Plan of Arrangement. The Monitor responded and indicated that the draft Plan of Arrangement was not acceptable and was not supported by RBC. The Monitor did not offer any detailed commentary on the content of this draft Plan of Arrangement.
19. Given the draft Plan of Arrangement was not supported by the Monitor or RBC we did not file our application for a First Meeting of Creditors as we had intended. We proceeded to continue exploring our refinance options with a view to raising sufficient funds to pay all creditors in full and exit the CCAA process.
20. On 08 June 2025, we confirmed available financing through a third-party private lender, 472318 Nova Scotia Limited (the "**Lender**") sufficient to pay all known secured and unsecured creditors with uncontested claims in full. On 16 June 2025, it was confirmed that there were no further conditions for the advance of funds from the Lender other than an order being issued from the Honourable Supreme Court terminating the CCAA process.
21. I am informed and do verily believe that \$8,000,000.00 of the refinance proceeds have now been advanced to the law firm Cox & Palmer as intermediary escrow agent (hereinafter the "**Escrow Agent**"). I am informed by the Escrow Agent and do verily



believe that an additional \$380,000.00 is being transferred to the Escrow Agent by the Lender and will be available on or before 25 June 2025.

22. Based on our records and calculations attached hereto as **Exhibit "C"**, the funds being advanced by the Lender are sufficient to pay all secured and known unsecured creditors with uncontested pre-filing claims in full. As a result, the Companies no longer require creditor protection under the CCAA. The Companies' leases will continue in the ordinary course, as will post-filing claims.
23. The Companies now seek an Order of this Honourable Court terminating the CCAA proceedings as they can complete a refinance of their entire debt consistent with the purpose and intent of the CCAA and the CCAA Process Agreement. Following the payment of the existing secured and known unsecured creditors with uncontested claims, the Companies will no longer be considered insolvent as contemplated by the CCAA. Any unknown insured claims or unsecured contested claims can be dealt with in the ordinary course.
24. While not required to exit these CCAA proceedings, the Applicants have proposed paying CRA's debt in full as part of its proposed termination plan. It should be noted that in the unlikely event that Applicants do not have sufficient funds to pay the secured and unsecured creditors in full once the final payout statements are provided (from RBC and others), CRA have confirmed they will accept a twenty-four-month payment plan from Blue Lobster Capital Ltd. to satisfy their outstanding debt of \$978,000.00. This leaves more than enough liquidity to clearly satisfy all claims and allow the Companies to exit these proceedings. A copy of CRA's confirmation in this regard is attached hereto as **Exhibit "D"**.
25. In addition to the foregoing, the Companies have cash on hand in the amount of \$202,855.47 which is available for disbursement as required.
26. Other than the issuance of the CCAA Termination Order, all material conditions have been met to permit the Escrow Agent's release of funds to the Companies' creditors.

27. I can confirm that the Companies have acted in good faith and with due diligence in this CCAA Proceeding and have cooperated with the Monitor throughout, as well as being responsive to requests from counsel and other parties.


**A. Completed and Remaining Activities:**

28. The following activities have been completed in anticipation of filing the CCAA Termination Motion:
- a. escrow funds in the amount of \$8,000,000.00 has been deposited to Cox & Palmer's trust account, in its capacity as Escrow Agent;
  - b. An additional \$380,000.00 is being advanced to the Escrow Agent and will be in place on or before 25 June 2025;
  - c. The Companies have calculated the amount of debt owing, consistent with Exhibit "C", to pay all known secured and unsecured creditors; and
  - d. The Companies have confirmed that the Escrow Agent will disburse the Loan proceeds in accordance with Exhibit "C" by way of wire transfer or solicitor's trust cheque to the parties listed in Exhibit "E" and shall confirm by way of payment certificate to the Monitor once these payments have been made.
29. The following activities remain to be completed after the approval of the CCAA Termination Order (the "**Remaining Activities**"):
- a. the beneficiaries of the Administration Charge are to be paid in full for any amounts covered by the Administration Charge;
  - b. the DIP Lender is to be paid in full for any amounts owing and covered by the DIP Lender's Charge, if any;
  - c. the Companies are to provide notice to all known creditors that the CCAA proceeding is being terminated, and the stay of proceedings lifted;
  - d. the Monitor and its counsel are to return the balance of any retainer paid by the Companies (less any reserves); and
  - e. repayment of secured creditors and uncontested unsecured creditor claims is to

**B. Extension of Stay of Proceedings:**

**C. Relief Sought:**

- a. Termination of the CCAA; and
- b. Extension to the stay of proceedings under the ARIO up to and including 30 July 2025.

  
A Commissioner for taking Affidavits.  
Essber Essber  
Barrister, Solicitor and Commissioner of  
Oaths

) ) ) ) ) ) ) )

K Alex Rice



This is Exhibit "A" referred to in the Affidavit of  
Alex Rice sworn before me on  
The 23 day of June 2025.



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Signature

File Reference: SM069259-20

December 11, 2024

Maurice Chiasson, K.C.  
Direct Dial: 902.420.3300  
[mchiasson@stewartmckelvey.com](mailto:mchiasson@stewartmckelvey.com)

**Via Email & Fax**

Honourable Justice Darlene Jamieson  
Supreme Court of Nova Scotia  
The Law Courts  
1815 Upper Water Street  
Halifax, NS B3J 1S7

Dear Justice Jamieson:

**Re: In The Matter of the Receivership of Blue Lobster Capital Limited et al.**

We are counsel for the Royal Bank of Canada ("RBC") and had previously filed an application seeking the appointment of Ernst & Young Inc. as receiver over the property, assets and undertakings of Blue Lobster Capital Limited and other entities (the "**Companies**").

Since the last appearance of the parties before this Court, discussions have been held between RBC and the Companies. As a result, RBC agrees to adjourn its receivership application and not oppose the request for relief by the Companies under the *Companies Creditors Arrangement Act* ("CCAA"). The parties have agreed on a form of the Initial Order, subject to the comments and approval by this Court. In addition to the terms of the Initial Order, RBC has sought, and the Companies have agreed to, the following terms to be followed by the Companies in the CCAA proceedings, although these terms are not contained in the Initial Order.

The Companies have agreed to the following additional terms:

1. the Companies shall provide bi-weekly reporting to RBC and its advisors, Ernst & Young Inc. ("EY"), noting their compliance with the 13-week cashflow statement filed with the Court including commentary on any variances in excess of 10%;
2. the Companies shall provide bi-weekly reporting to RBC in respect of their refinancing efforts, including copies of all discussion papers, letters of intent and financing offers received;
3. the Companies shall provide the following to the Bank on a monthly basis:

4124-6989-9606

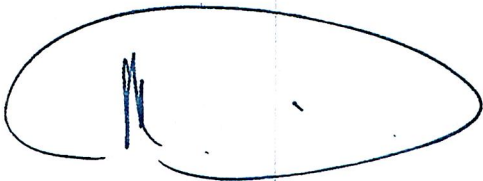
- a. trial balance (in Microsoft excel format, if available);
  - b. aged accounts receivable listing by invoice and customer including invoice date (in Microsoft excel format, if available);
  - c. aged accounts payable listing by invoice and customer including invoice date (in Microsoft excel format, if available);
  - d. list of accrued liabilities (in Microsoft excel format, if available);
  - e. detailed inventory listing by sku reflecting quantity, cost per unit and extended value (in Microsoft excel format, if available);
  - f. CRA payroll statement of account with evidence of payroll remittances for the month ended;
  - g. CRA HST statement of account with evidence of payroll remittances for the month ended;
  - h. payroll and vacation pay accrued liability as at month-end; and
  - i. Workers Compensation statement of account with evidence of payment for the month ended;
4. the Companies shall provide confirmation from Doane Grant Thornton that the 2024 annual financial statements will be available during the December 18 to 20 timeframe and will provide a copy to RBC and EY once completed;
  5. the Companies shall not seek interim financing without providing RBC with the opportunity to provide interim financing on no worse terms than what may be offered;
  6. the Companies shall provide RBC with the details of any payment arrangement with Canada Revenue Agency in relation to outstanding arrears for source deductions, HST and excise taxes (for all entities in the corporate group, whether they are entities under CCAA protection or not).
  7. the Companies shall pursue their refinancing efforts through the end of February 2025. Should a binding offer or binding offers of refinancing which, in total, provide for the repayment in full of the Companies' obligations to RBC, not be secured prior to the end of February 2025 on terms satisfactory to RBC, acting reasonably, the Companies shall prepare for a broader sales and investment solicitation process (SISP) with a view to a public launch no later than March 15, 2025. Such process can, if the Debtors so choose, continue to be pursued in conjunction with any refinancing efforts;
  8. any stay of proceedings beyond the initial 10-day stay shall be limited to a period of seventy-five (75) days unless the Bank otherwise agrees.



Justice Jamieson  
December 11, 2024  
Page 3

With the Companies having agreed to these additional terms, RBC will not oppose the issuance of the Initial Order should this Court believe it appropriate to do so.

Yours respectfully,

A handwritten signature in blue ink, consisting of a stylized 'M' and 'C', is enclosed within a hand-drawn oval.

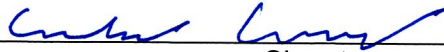
Maurice P. Chiasson, K.C.

cc. Service List

2024

Hfx No. 538745

This is Exhibit "B" referred to in the Affidavit of  
Alex Rice sworn before me on  
The 23 day of June 2025.

A handwritten signature in blue ink, consisting of a cursive 'C' followed by a series of loops and a final flourish.

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Signature

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## O'KEEFE & SULLIVAN

---

### BY EMAIL AND COURIER

#### KSV ADVISORY INC.

The Monitor  
220 Bay Street, 13th Floor, PO Box 20,  
Toronto, Ontario, M5J 2W4  
Attn: Bobby Kofman  
Email: bkofman@ksvadvisory.com

#### RECONSTRUCT LLP

Counsel for KSV Advisory Inc.  
80 Richmond Street West, Suite 1700  
Toronto, ON M5H 2A4  
Attn: Ms. Sharon Kour  
Email: skour@reconllp.com

09 May 2025

Mr. Kofman:

**Re: 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"), (the "Blue Lobster Group")**

We write with reference to the above noted, and in connection with the Blue Lobster Group's Sale, Investment and Solicitation Process (the "**SISP**"). Please accept this as Blue Lobster Group's formal submission in the SISP. We would welcome the opportunity to further discuss this with the Monitor.

The SISP contemplates that parties may submit proposals to restructure the business within the SISP, and this proposal/bid is submitted as a plan of arrangement pursuant to s.4.1(1) and 4.1(2) of the CCAA (hereinafter a "**Plan**").

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Corner Brook  
40 Main Street,  
Corner Brook, NL, A2H 1C3  
Phone: (709) 639 1110  
Facsimile: (709) 639 7617

St. John's  
80 Elizabeth Ave., Suite 202  
St. Johns, NL, A1A 1W7  
Phone: (709) 700 0911  
Facsimile: (709) 700 0343

Halifax  
Suite 202, Purdy's Wharf II,  
1969 Upper Water St.  
Halifax, NS, B3J 3R7  
Phone: (902) 913 4717

[www.okeefesullivan.com](http://www.okeefesullivan.com)



We have also attached a copy of our intended meeting order application and related materials for the Monitor's advance review and comments (the "**Meeting Order Application**").

**Background:**

As you know, since the Monitor commenced the SISP on 14 March 2025, the Blue Lobster Group has been conscientiously assisting the Monitor, including with due diligence requirements for potential bidders, while also working diligently to find alternate financing and a new equity partner in order to submit a Plan (now presented as a bid in this SISP) which would see their secured and unsecured creditors paid in full.

In keeping with the underlying aims of the CCAA, the Blue Lobster Group believes the Plan now proposed is in the best interests of all stakeholders. Key features of the Plan are as follows:

1. The Plan will allow the Blue Lobster Group to maintain its existing business as a going concern, thereby protecting the employment and economic benefits it provides to the Nova Scotia business community, including suppliers, customers and others.
2. The Plan will see all proven secured creditors paid in full, with unsecured creditors paid at least to \$0.70/\$1.00. With respect to the Canada Revenue Agency ("**CRA**"), the CRA debt is being assumed by the Blue Lobster Group and CRA has indicated that it will enter into a twenty four (24) month payment plan in order for the Blue Lobster Group to repay its CRA debt in full. The Blue Lobster Group are confident that their post-approval cashflows will support these payments to CRA. The Blue Lobster Group will facilitate obtaining confirmation from the CRA on this if required by the Monitor.
3. Beck Flavours Inc. is currently a contingent creditor, but the Blue Lobster Group is proposing to treat them as an unaffected creditor such that the litigation can continue after the company has exited CCAA.

In addition to the benefits listed above, the Plan, if accepted, will meet with the aims of the CCAA in allowing the Blue Lobster Group the opportunity to restructure their business and continue post approval as a going concern. The intent of the proposal is to result in a better outcome for all stakeholders than a sale to an outside party, a situation which the Blue Lobster Group anticipates will be unlikely to result in a better recovery for all creditors.

While we are confident that we are presenting an offer that will reflect the most advantageous resolution to this CCAA proceeding, we note that the Monitor, in accordance with the SISP terms, is not obligated to accept the highest bid in the SISP<sup>1</sup>, but rather, the "best offer". The "best offer" is naturally one that considers the interests of all stakeholders in the process, including the Blue Lobster Group current owners, employees, and other stakeholders.

We would encourage consideration of such factors as the continuing and undisrupted operations of the company and the value of keeping the business operations and assets intact.

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<sup>1</sup> SISP s.3.3.1.

We believe the Plan as presented will effectively represent the "best offer" when considered in respect of offers received in the SISP and when given due regard to the purposes of the CCAA. While presented as a Plan, we would respectfully request that this be considered in tandem with the parallel process of reviewing the Qualified Bids submitted in the SISP, so that the Monitor has a full picture of what is on offer, and what is at stake.

We have included copies of our clients' Meeting Order Application along with a copy of the proposed Plan as drafted. We would appreciate having the Monitor's assistance and support (as contemplated in paragraph 31 of the ARIO and otherwise) in putting forward this Plan as a bid within the SISP context, or alternatively in presenting the Plan to creditors as originally intended.

We look forward to your reply.

Regards,

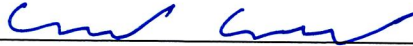


**DARREN D. O'KEEFE**  
dokeefe@dokeefesullivan.com

Enclosures:

1. Draft Plan of Arrangement Overview/SISP Term Sheet dated 09 May 2025;
2. Draft Plan of Arrangement dated 09 May 2025;
3. Draft Meeting Order Motion dated 09 May 2025; and
4. Draft Affidavit of Alex Rice dated 09 May 2025 including Confidential Appendices.

This is Exhibit "C" referred to in the Affidavit of  
Alex Rice sworn before me on  
The 23 day of June 2025.

A handwritten signature in blue ink, consisting of a cursive 'C' followed by a series of loops and a final flourish.

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Signature



3343533 Nova Scotia Limited, 4318682 Nova Scotia Limited, 3284906 Nova Scotia Limited, and Blue Lobster Capital Limited

As of June 18, 2025

Unaudited  
\$000s

Claims:			OP Co's	BLCL
RBC Debt	Operating companies		4,872	
	BLCL			978
Unsecured creditors	Operating companies	Pre-filing	1,600	
		Post-filing	210	
		CRA	732	
	BLCL	Pre-filing		26
		Post-filing		35
		CRA		240
Other Secured Creditors	Operating companies		366	
	BLCL			101
Professional fees (est.)			<u>100</u>	<u></u>
Total estimated claims			<u><u>7,880</u></u>	<u><u>1,379</u></u>

**Need to Pay**

RBC	5,850	(includes BLCL)
A/P	1,140	(Total \$1.626 M less \$486k to Beck)
CRA	972	(includes BLCL)
Professionals	100	(estimate, most are up to date)
less: Retainer held by Monitor	-100	
Other Secured Creditors:		
ACOA	150	
S Corkum	150	
	<u>8,261</u>	

**Negotiate and Pay**

**Pay in Ordinary Course (Op Co's only)**

Post-Filing A/P	210
Leases	<u>66</u>
	<u>276</u>
	<u><u>8,538</u></u>

This is Exhibit "D" referred to in the Affidavit of  
Alex Rice sworn before me on  
The 23 day of June 2025.



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Signature



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**Re: Blue Lobster Capital Ltd. ("BLCL") [URGENT]**

---

**From** Darren O'Keefe <dokeefe@okeefesullivan.com>

**Date** Mon 6/23/2025 9:23 AM

**To** Essber Essber <eessber@okeefesullivan.com>

 1 attachment (41 KB)

3284906 Nova Scotia Limited.pdf;

---

**From:** Frappier K.C., Deanna (she her elle la) <Deanna.Frappier@justice.gc.ca>

**Sent:** May 8, 2025 1:26 PM

**To:** Darren O'Keefe <dokeefe@okeefesullivan.com>

**Cc:** Melissa De Caria <mdecaria@okeefesullivan.com>; Megan Taylor <mtaylor@okeefesullivan.com>; Ward, Caitlin (she her elle la) <Caitlin.Ward@justice.gc.ca>; Wayne Myles <wmyles@okeefesullivan.com>

**Subject:** RE: Blue Lobster Capital Ltd. ("BLCL") [URGENT]

Attached is the total account balance to date (pending trust audit exams and outstanding tax returns), broken down by accounts.

...Deanna

---

**From:** Darren O'Keefe <dokeefe@okeefesullivan.com>

**Sent:** Thursday, May 8, 2025 12:23 PM

**To:** Frappier K.C., Deanna (she her elle la) <Deanna.Frappier@justice.gc.ca>

**Cc:** Melissa De Caria <mdecaria@okeefesullivan.com>; Megan Taylor <mtaylor@okeefesullivan.com>; Ward, Caitlin (she her elle la) <Caitlin.Ward@justice.gc.ca>; Wayne Myles <wmyles@okeefesullivan.com>

**Subject:** Re: Blue Lobster Capital Ltd. ("BLCL") [URGENT]

**EXTERNAL EMAIL – USE CAUTION / COURRIEL EXTERNE – FAITES PREUVE DE PRUDENCE**

Hello Deanna, could you provide the full account balance broken down by the accounts?

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

On May 8, 2025, at 12:08 PM, Frappier K.C., Deanna (she her elle la) <[Deanna.Frappier@justice.gc.ca](mailto:Deanna.Frappier@justice.gc.ca)> wrote:

I spoke with CRA and they are agreeable to the 24-month repayment plan. Are you looking to confirm the entire CRA debt balance or just the payroll amounts? CRA has advised that there are trust audit examinations still outstanding on the account and that the amount of the

claim may change as result. Are you considering a claims bar date or can you incorporate a provision that allows CRA until a certain time to get the trust audit examinations completed?

...Deanna

---

**From:** Frappier K.C., Deanna (she her elle la)

**Sent:** Thursday, May 8, 2025 9:15 AM

**To:** 'Darren O'Keefe' <[dokeefe@okeefesullivan.com](mailto:dokeefe@okeefesullivan.com)>; Melissa De Caria

<[mdecaria@okeefesullivan.com](mailto:mdecaria@okeefesullivan.com)>; Megan Taylor <[mtaylor@okeefesullivan.com](mailto:mtaylor@okeefesullivan.com)>

**Cc:** Ward, Caitlin (she her elle la) <[Caitlin.Ward@justice.gc.ca](mailto:Caitlin.Ward@justice.gc.ca)>; Wayne Myles

<[wmyles@okeefesullivan.com](mailto:wmyles@okeefesullivan.com)>

**Subject:** RE: Blue Lobster Capital Ltd. ("BLCL") [URGENT]

Darren:

I will consult with CRA about your question regarding adhering to the 24-month repayment plan and confirm the outstanding balance. I will give you a call once I have spoken with them.

...Deanna

**Deanna Frappier, K.C.**

Counsel

Atlantic Regional Office

Suite 1400, Duke Tower

5251 Duke Street

Halifax, Nova Scotia B3J 1P3

National Litigation Sector

Department of Justice Canada

Government of Canada

[deanna.frappier@justice.gc.ca](mailto:deanna.frappier@justice.gc.ca)

Tel: 782-409-0068

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**Deanna Frappier, K.C.**

Avocate

Bureau régional de l'Atlantique

pièce 1400, tour Duke

5251 rue Duke

Halifax (Nouvelle-Écosse) B3J 1P3

Secteur national du contentieux

Ministère de la Justice Canada

Gouvernement du Canada

[deanna.frappier@justice.gc.ca](mailto:deanna.frappier@justice.gc.ca)

tél : 782-409-0068

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---

**From:** Darren O'Keefe <[dokeefe@okeefesullivan.com](mailto:dokeefe@okeefesullivan.com)>

**Sent:** Wednesday, May 7, 2025 4:39 PM

**To:** Frappier K.C., Deanna (she her elle la) <[Deanna.Frappier@justice.gc.ca](mailto:Deanna.Frappier@justice.gc.ca)>; Melissa De Caria

<[mdecaria@okeefesullivan.com](mailto:mdecaria@okeefesullivan.com)>; Megan Taylor <[mtaylor@okeefesullivan.com](mailto:mtaylor@okeefesullivan.com)>

**Cc:** Ward, Caitlin (she her elle la) <[Caitlin.Ward@justice.gc.ca](mailto:Caitlin.Ward@justice.gc.ca)>; Wayne Myles

<[wmyles@okeefesullivan.com](mailto:wmyles@okeefesullivan.com)>

**Subject:** Re: Blue Lobster Capital Ltd. ("BLCL") [URGENT]



**EXTERNAL EMAIL – USE CAUTION / COURRIEL EXTERNE – FAITES PREUVE DE PRUDENCE**

Hello Deanna –

I understand you are counsel on this file for CRA.

Our client is in the process of applying for a Plan of Arrangement and I need to speak to you urgently about CRA's position.

As I understand it, there was a previous agreement/discussion between BLCL and CRA whereby BLCL would be granted a 24-month period to repay CRA in full. I believe this was struck before the CCAA proceedings.

BLCL is now in the process of submitting a plan, which is structured as follows:

1. New debt from Farm Credit Canada in the amount of 5.0m secured by the assets of the BLCL Group.
2. New equity investment in BLCL in the amount of 2.5m (terms are being finalized today).

To pay the full secured and unsecured debts, the Company needs approximately 6.5m. They will also need a 1.0m revolver to continue operations which is contemplated in the above. The continued operations would allow them to generate sufficient cashflow to pay the CRA debt over 24 months. If a liquidity event happens sooner (i.e. a sale of all or part of the business) we can discuss advance repayment.

The SISP is set to close on Friday. We expect that any bidder in the SISP will look to reverse as much CRA debt as possible.

We believe the above plan is in the best interests of all stakeholders including CRA. We only have 48 hours to finalize the same, so I would like to have a call with you to confirm CRA's agreement with the 24-month repayment plan, and, to confirm current outstanding balance so I can include that in the plan.

Please let me know if there is a time we can speak tomorrow as we are up against the wire.

Thanks in advance,

**Darren D. O'Keefe**

Partner, Lawyer | O'Keefe & Sullivan

**P** 709 800 6536 | **C** 709 699 3002

**E** [dokeefe@okeefesullivan.com](mailto:dokeefe@okeefesullivan.com)

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**3284906 Nova Scotia Limited (sometime carrying on business as Nova Scotia Spirit Company)**

RC0001	\$51,850.04	Last T2 filed for taxation year ended June 30, 2024
RT0001	\$259,431.01	No outstanding returns
RD0002	\$142,038.16	No outstanding returns
RD0005	\$671.75	No outstanding returns
RP0001	\$93,748.61	Remittances filed up to date, Trust Exam in progress

**4318682 Nova Scotia Limited (sometime carrying on business as Annapolis Cider Company)**


RC0002	\$40,739.53	Last T2 filed for taxation year ended June 30, 2024
RT0001	\$51,472.58	No outstanding returns
RP0001	\$1590.52	Remittances filed up to date, Trust Exam in progress. T4 difference of approximately \$12,000 for 2023 could result in an increased liability

**Blue Lobster Capital Limited**

RC0001	\$135,504.39	Last T2 filed for taxation year ended June 30, 2023. T2 for 2024 outstanding and could result in an increased liability
RT0001	\$97,778.48	1 outstanding return (post period of 2024-12-14 to 2024-12-31)

CRA would agree to payment in full over 24 months with further clarification as to whether all arrears or just payroll is encompassed in this offer. Has a claims bar date been established or is one being considered? Liabilities may increase for Annapolis RP and Blue Lobster RC, therefore, CRA would like to incorporate a timeline that allows a certain time for trust audit examinations to be completed.

This is Exhibit "E" referred to in the Affidavit of  
Alex Rice sworn before me on  
The 23 day of June 2025.

A handwritten signature in blue ink, appearing to be "C. C. C.", written over a horizontal line.

Signature

**Updated as at June 17, 2025**

Company	Creditor	Amount
NS Spirit Co	Adsum Association for Women & Children	500.00
NS Spirit Co	Advocate Printing & Publishing	63.25
NS Spirit Co	Ampak Inc.	4,533.76
NS Spirit Co	AO Wilson	21,626.33
NS Spirit Co	ARMOUR TRANSPORT INC	9,799.00
NS Spirit Co	Atlantic Compressed Air Ltd.	1,513.32
NS Spirit Co	AutoTrim & Signs	143.75
NS Spirit Co	BeerTech	2,265.50
NS Spirit Co	Bell Flavours & Fragrances (Canada) Co.	30,515.00
NS Spirit Co	Blackfly Beverage Co.	30,467.63
NS Spirit Co	Blue Lobster Capital Ltd.	22,537.50
NS Spirit Co	Boyne Clarke Lawyers	5,936.62
NS Spirit Co	Build Nova Scotia	1,949.03
NS Spirit Co	Canada Border Services Agency	2,530.91
NS Spirit Co	Cape Breton Eagles	17,250.00
NS Spirit Co	Carmichael	837.38
NS Spirit Co	CFIB - Canadian Federation of Independent Busin	968.30
NS Spirit Co	Craft Coast Canning Ltd USD	21,972.55
NS Spirit Co	Craft Coast Canning Ltd.	9,529.64
NS Spirit Co	Creative Curve Media	4,410.08
NS Spirit Co	Custom Spring & Welding	37.90
NS Spirit Co	Delta Hotels	15,111.00
NS Spirit Co	DeMont's	27,029.61
NS Spirit Co	Denis Office Supplies and Furniture	887.15
NS Spirit Co	DHL	73.91
NS Spirit Co	DHL Express	198.43
NS Spirit Co	Diversey Canada Inc	2,651.03
NS Spirit Co	Divert Nova Scotia	17,702.56
NS Spirit Co	East Coast Music Association	12,659.10
NS Spirit Co	East Coast Pools	1,242.00
NS Spirit Co	Eastern Tire Service Ltd	2,825.55
NS Spirit Co	Gasco	225.81
NS Spirit Co	Gemini Screen Print & Embroidery	9,949.11
NS Spirit Co	GFL Environmental Inc - ACCT# E2096687	49.13
NS Spirit Co	Grant Thornton	12,535.00
NS Spirit Co	Halifax Urban Folk Festival	2,000.00
NS Spirit Co	Holiday Inn Express Stellarton	186.47
NS Spirit Co	Impak Packaging Systems Inc.	9,276.42
NS Spirit Co	Iris Communication Inc	3,450.00
NS Spirit Co	J & B Car Wash	100.00
NS Spirit Co	Kent	564.32
NS Spirit Co	LCBO	768.65
NS Spirit Co	Linde Canada (formerly Praxair)	372.47
NS Spirit Co	Lucas Technology & Analytics	1,217.56
NS Spirit Co	Lung NS PEI	200.00
NS Spirit Co	MacGillivray Fuels	14,802.34
NS Spirit Co	MacGregors Industrial Group	138.00
NS Spirit Co	Maritime Labels and Packaging	8,329.14
NS Spirit Co	Maritime Paper	12,499.47
NS Spirit Co	Maritime Tractor Repairs	752.16
NS Spirit Co	Master Packaging Inc.	15,417.70
NS Spirit Co	MBW Courier Inc.	1,733.09
NS Spirit Co	McMaster-Carr	179.92



NS Spirit Co	Mer et Soleil Fine Wine & Spirits	33,686.87
NS Spirit Co	Messer Canada Inc	28,486.04
NS Spirit Co	Midland Transportion	4,333.32
NS Spirit Co	Midtown Tavern	9,200.00
NS Spirit Co	MS Walker	16.58
NS Spirit Co	Murphy Hospitality Group	1,591.35
NS Spirit Co	Murphy Sailing Tours Limited	4,392.43
NS Spirit Co	Music Industry Association of Nova Scotia	3,450.00
NS Spirit Co	Neogen	964.89
NS Spirit Co	New Glasgow Cleaning Services Ltd	496.80
NS Spirit Co	Nordic	1,673.84
NS Spirit Co	NSLC	28,990.70
NS Spirit Co	Old Orchard Inn	982.50
NS Spirit Co	Paktech	25,443.34
NS Spirit Co	Partners Construction Limited	3,312.92
NS Spirit Co	Partners In Law	1,518.00
NS Spirit Co	PEI Liquor Control Commission	4,006.76
NS Spirit Co	Perennia	8,165.17
NS Spirit Co	Pictou County Wellness Center	500.00
NS Spirit Co	Planet Paper	31,163.07
NS Spirit Co	Pneumatic Scale Angelus	53,193.53
NS Spirit Co	Prime Material Handling	392.96
NS Spirit Co	Proudfoots Incorporated HHBC	321.87
NS Spirit Co	Pukka Inc	6,865.12
NS Spirit Co	Ruth Goldbloom Golf	1,000.00
NS Spirit Co	Scotia Recycling Limited	11.50
NS Spirit Co	Swallows Service Center	1,523.46
NS Spirit Co	The Pint Public House	2,357.50
NS Spirit Co	Those Guys Plumbing and Electrical	425.50
NS Spirit Co	Town of Stellarton	3,189.03
NS Spirit Co	Trackside Studios	287.50
NS Spirit Co	Tri- Maritime Bus Network Inc.	461.06
NS Spirit Co	Tricorbraun	39,649.15
NS Spirit Co	Uline Canada Corporation	2,240.26
NS Spirit Co	Ultra Pure LLC	61,085.22
NS Spirit Co	United Rentals of Canada Inc.	1.35
NS Spirit Co	Univar Solutions Canada Ltd	593.01
NS Spirit Co	UPS Canada	650.63
NS Spirit Co	Van Dyk's Health Juice Products Ltd.	47,547.50
NS Spirit Co	Vessel Packaging Co.	26,886.01
NS Spirit Co	Von Terra Enterprises Ltd	69,939.18
NS Spirit Co	The Stubborn Goat	3,164.86
NS Spirit Co	The Stubborn Goat Beer Garden	4,983.88
NS Spirit Co	Salt Yard Social	1,703.46
NS Spirit Co	Durty Nelly's	30,177.30
NS Spirit Co	Antojo	2,181.86

Annapolis Cider Co	A.O. Wilson Ltd.	17,305.49
Annapolis Cider Co	Acadia University	204.50
Annapolis Cider Co	Access NS	66.00
Annapolis Cider Co	Alab	607.20
Annapolis Cider Co	Apple Valley Foods Inc	7,625.00
Annapolis Cider Co	BUNZL CANADA DBA CAPITAL PAPER	696.83
Annapolis Cider Co	Burghardt Transport Ltd	3,197.35
Annapolis Cider Co	Canada Post	1,143.56
Annapolis Cider Co	Cellar Tek	1,513.78
Annapolis Cider Co	Chinova Bioworks	2,831.80
Annapolis Cider Co	Custom Spring & Welding 2009 Ltd	837.31
Annapolis Cider Co	Divert NS	3,226.24
Annapolis Cider Co	Draught Pro Ltd.	1,305.25
Annapolis Cider Co	Evangeline Equipment Ltd.	3,131.46
Annapolis Cider Co	Halifax Brewery Market	168.00
Annapolis Cider Co	Hennigar Farms Ltd	800.00
Annapolis Cider Co	Holland Farms	677.25
Annapolis Cider Co	Intact Insurance	5,876.00
Annapolis Cider Co	ITM Instruments INC.	282.44
Annapolis Cider Co	Jym Line Glassware	1,845.35
Annapolis Cider Co	Killam Orchards	1,870.00
Annapolis Cider Co	Kings Produce Ltd	2,531.75
Annapolis Cider Co	Messer	324.69
Annapolis Cider Co	Micco Warehousing & Logistics Inc	852.21
Annapolis Cider Co	Noggins Corner Farm II Ltd	94,430.00
Annapolis Cider Co	Nova Scotia Cider Association	375.00
Annapolis Cider Co	NSLC Head Office	13,154.26
Annapolis Cider Co	Safeguard Waste Management Limited	253.00
Annapolis Cider Co	Stirling Fruit Farms Ltd.	5,000.00
Annapolis Cider Co	Sunbury Transport	649.30
Annapolis Cider Co	Telus / ADT	337.13
Annapolis Cider Co	Terra Beata Farms	2,193.56
Annapolis Cider Co	Town of Wolfville	395.05
Annapolis Cider Co	Univar Solutions Canada	601.50
Annapolis Cider Co	Valley Tire Ltd	1,971.42
Annapolis Cider Co	Van Dyk's Health Juice Products Ltd.	4,750.00

Lost Bell Wines	Armour Transport Inc	183.12
Lost Bell Wines	Avondale Sky	5,750.00
Lost Bell Wines	Carmichael Engineering Ltd	1,158.43
Lost Bell Wines	Cavendish Agri Services	537.26
Lost Bell Wines	CCRA - Excise Tax	1,544.20
Lost Bell Wines	Divert Nova Scotia	251.70
Lost Bell Wines	Grant Thornton	0.00
Lost Bell Wines	Gusmer Enterprises	216.00
Lost Bell Wines	Matt's Towing Inc	345.00
Lost Bell Wines	MBW Courier Inc	41.66
Lost Bell Wines	Messer	721.57
Lost Bell Wines	Nova Scotia Music Week	0.00
Lost Bell Wines	NSLC RSMA	1,122.01
Lost Bell Wines	SuperClean Services Limited	100.07

Lost Bell Wines	Taste of Nova Scotia	566.87
Lost Bell Wines	Valley Alarms Ltd	317.40
Lost Bell Wines	Valley Portable Toilets	<u>264.50</u>
		<u><u>1,113,871.30</u></u>