

COURT OF KING'S BENCH FOR SASKATCHEWAN

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

APPLICANT RIVERIENE FARM LTD.

IN THE MATTER OF SECTION 50.4 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C.
B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
RIVERIENE FARM LTD.

PROPOSAL TO CREDITORS

WHEREAS:

- A. Riveriene Farm Ltd. (the "**Company**") is a corporation incorporated pursuant to the laws of the Province of Saskatchewan.
- B. The Company is an "insolvent person", as defined in section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**").
- C. The Company was incorporated in 2010 and operates a business for the manufacture and distribution of quality raw whole animal (frozen and freeze-dried) pet food.
- D. On August 22, 2024, the Company filed a notice of intention (the "**Notice of Intention**") to make a proposal (the "**Proposal**") to its creditors under section 50.4 of the BIA and thereby commenced proceedings to restructure its business and financial affairs under Division I of Part III of the BIA.
- E. MNP Ltd. of Edmonton, Alberta, (the "**Trustee**") is a licensed insolvency trustee under the BIA which has consented to act as Trustee under the Proposal to be filed by the Company.
- F. Subject to the terms of the Proposal, the Company intends to establish, by payments throughout the Proposal Period to the Trustee in accordance with the Cash Flow Statement attached hereto as Schedule "A", a fund in the total aggregate maximum amount required to fund the distributions required to be made pursuant to Article 7.3 hereof (the "**Proposal Fund**").
- G. The Critical Suppliers have agreed to continue supplying the Company throughout the Proposal Period on a cash basis (or upon terms as otherwise agreed with one or more of the Critical Suppliers).
- H. The Company plans to continue to address operational inefficiencies and improve profitability through a variety of means to maintain operations and fund the Proposal Fund. In doing so, the Company may consider (in consultation with the Trustee and the Inspector(s)) the sale of certain assets and/or operational changes necessary to perform its obligations under this Proposal.
- I. This paragraph and the immediately preceding paragraphs are hereinafter collectively referred to as the "**Recitals**" and individually as a "**Recital**" and are incorporated into (and form an integral part of) this Proposal.

NOW, THEREFORE, THE COMPANY HEREBY SUBMITS THE FOLLOWING PROPOSAL TO ITS CREDITORS UNDER DIVISION I OF PART III OF THE BIA:

ARTICLE 1

Definitions

- 1.1 For the purposes of the Proposal, the following words and phrases have the following respective meanings ascribed thereto:
- (a) “**BIA**” has the meaning ascribed thereto in Recital B. hereof;
 - (b) “**Claim**” means and includes means any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right, and obligation of any nature whatsoever of the Company or its Directors, to any Person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known, or unknown, and whether by guarantee, indemnity, surety or otherwise, in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the Claims Eligibility Date, including any claim arising from a breach or termination of any contract or in respect of the costs of remedying any environmental condition or damage affecting real property;
 - (c) “**Claims Eligibility Date**” means the date of the filing by the Company of the Notice of Intention pursuant to section 50.4 of the BIA, being August 22, 2024;
 - (d) “**Claims Bar Date**” means the date that is two months following the Court Approval Date;
 - (e) “**Company**” has the meaning ascribed thereto in Recital A. hereof;
 - (f) “**Court**” means the Court of King’s Bench for Saskatchewan;
 - (g) “**Court Approval Date**” means the date on which the Court approves the Proposal;
 - (h) “**Creditors**” means those Unsecured Creditors of the Company, including those Critical Suppliers, with a Proven Claim against the Company;
 - (i) “**Critical Suppliers**” means, collectively, Aero Delivery Ltd., Imperial Dade Canada Inc., Sofina Foods Inc., the Larson Group of Companies and Versacold Logistics Inc.;
 - (j) “**Crown Claims**” means Claims of Her Majesty in Right of Canada or a Province of Canada as described at section 60(1.1) of the BIA that were outstanding on the date of the filing of the Notice of Intention;
 - (k) “**Director**” means any past or present director of the Company;

- (l) **"Inspector"** means one or more inspectors, if any, appointed pursuant to section 56 of the BIA;
- (m) **"Levy"** has the meaning ascribed thereto in Article 7.3(b) hereof;
- (n) **"Meeting"** has the meaning ascribed thereto in Article 3.1 hereof;
- (o) **"Notice of Intention"** has the meaning ascribed thereto in Recital D. hereof;
- (p) **"Person"** shall be broadly interpreted and shall include, without limitation, an individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, corporation, unincorporated association or organization, syndicate, committee, the government of a country or any political subdivision thereof, or any agency, board, tribunal, commission, bureau, instrumentality or department of such government or political subdivision, or any other entity, howsoever designated or constituted, and the trustees, executors, administrators or other legal representatives of an individual;
- (q) **"Proposal"** has the meaning ascribed thereto in Recital D. hereof;
- (r) **"Proposal Costs"** means the reasonable professional fees and disbursements (plus applicable taxes) of: a) the Trustee; and b) counsel to the Company, Mike Russell, Barrister & Solicitor, in regard to all matters pertaining to the Notice of Intention and the Proposal, which fees and disbursements have not otherwise been paid in full and which fees and disbursements the Company intends to pay (to the greatest extent possible) utilizing funds that do not form part of the Proposal Fund;
- (s) **"Proposal Fund"** has the meaning ascribed thereto in Recital F. hereof;
- (t) **"Proposal Implementation Date"** means the date upon which the appeal period for an Order of the Court approving the Proposal has expired or, if any appeal is taken from such Order, the date upon which a final Order dismissing such appeal has been issued;
- (u) **"Proposal Period"** shall mean the 45-month period commencing on the Proposal Implementation Date;
- (v) **"Proven Claim"** means a proven and admitted Claim (as has been or as may be determined by the Trustee, in consultation with the Company) which has not been paid as of the date of the Meeting and, subject to Article 7.2 hereof, has been received by the Trustee on or before the Claims Bar Date;
- (w) **"Recitals"** has the meaning ascribed thereto in Recital I. hereof;
- (x) **"Secured Creditors"** means those creditors holding security interests against the assets of the Company as security for a debt due or accruing due to such creditors from the Company;
- (y) **"Trustee"** has the meaning ascribed thereto in Recital E. hereof;
- (z) **"Unsecured Creditors"** means those creditors of the Company with Claims which are not:
 - (i) Claims of Secured Creditors; or
 - (ii) Crown Claims.

ARTICLE 2

Purpose of the Proposal

- 2.1 The purpose of the Proposal is to enable the Company to continue its business operations as a going concern by retiring and/or compromising in an orderly and fair-minded fashion the debts owed by the Company to its Creditors, in order to permit the Company to avoid bankruptcy (and the costs and professional fees associated with bankruptcy) and to provide the Creditors with the maximum recovery possible in regard to their respective Claims. If the Proposal is approved in accordance with the BIA, the Proposal (as so approved) is binding upon the Company and its Creditors.

ARTICLE 3

Meeting

- 3.1 There is to be a meeting of the Creditors to consider and vote upon the Proposal (the "Meeting"). The Meeting shall take place at the offices of the Trustee, located at **Suite 1300, MNP Tower, 10235 – 101 Street NW, Edmonton, Alberta, at 9:00am MST on October 10, 2024.** Creditors may join the meeting by teleconference using the following information:

Toll-free dial-in number (U.S. and Canada): 877-252-9279

Access (Participant) Code: 232 167 815#

- 3.2 The Proposal will be voted upon at the Meeting by the Creditors in accordance with Division I of Part III of the BIA. Should the Creditors approve the Proposal in accordance with Division I of Part III of the BIA, the Proposal will then be submitted to the Court for approval in accordance with section 58 of the BIA.

ARTICLE 4

Implementation of the Proposal

- 4.1 The Proposal will become effective on the Proposal Implementation Date, on which date the Proven Claims of the Creditors will be compromised in accordance with the terms hereof.

ARTICLE 5

Voting

- 5.1 In accordance with section 53 of the BIA, only Creditors shall be entitled to vote on the Proposal. For the purposes of voting on the Proposal in accordance with subsection 54(2)(d) of the BIA, the value ascribed to the vote of each Creditor shall be calculated by counting one vote for each dollar comprising the aggregate amount of the Proven Claim held by each such Creditor.

ARTICLE 6

Application to Court

- 6.1 Notice is hereby given that, upon approval of the Proposal by the Creditors at the Meeting, an application to the Court for an Order approving the Proposal will be made to the Court at a date and time to be determined (which date and time will be communicated to the Creditors by the Trustee).

ARTICLE 7

Classification of Creditors and Claims Bar Date

- 7.1 Pursuant to section 50(1.2) of the BIA, and for the purposes of the Proposal, the Company hereby makes this Proposal to one class of Creditors, namely, Unsecured Creditors.
- 7.2 Unless otherwise consented to by the Company (with approval of the Trustee), or unless otherwise determined by Court Order, any Claim which is not received by the Trustee on or before the Claims Bar Date shall not be admitted as a Proven Claim and shall be forever barred and extinguished.

Recovery by Creditors Under the Proposal

- 7.3 Distribution of the Proposal Fund by the Trustee during the Proposal Period (in consultation with the Company and the Inspector(s)) shall be made in accordance with the following sequence of events, namely:
- (a) first, the Trustee shall pay forthwith from and out of the Proposal Fund, in priority to claims of all Creditors, any Proposal Costs which remain unpaid as at the date of any distribution by the Trustee to the Creditors. It is the intention of the Company to pay all Proposal Costs from sources of funds other than the Proposal Fund. However, in the event that any such Proposal Costs remain unpaid as at the Proposal Implementation Date, then the payments described in this subparagraph shall be made;
 - (b) second, after the payment of any Proposal Costs in the manner described above in subparagraph 7.3(a) hereof, the Trustee shall forthwith pay from and out of the Proposal Fund the levy (if any) payable to the Superintendent of Bankruptcy in respect of the Proposal pursuant to section 147 of the BIA (the "**Levy**"); and
 - (c) third, after the payment of any Proposal Costs and the Levy in the manner described above in subparagraphs 7.3(a) and 7.3(b) hereof, the Trustee shall pay from and out of the Proposal Fund the following payments, namely:
 - (i) within six months of Court approval of the Proposal or as otherwise agreed to between the Company and the Crown (in consultation with the Trustee and the Inspector(s)), all Crown Claims;
 - (ii) within six months of Court approval of the Proposal, payment to each Creditor that has executed and delivered to the Trustee an election form on or before the Claims Bar Date, the value of its Proven Claim or \$1,500.00, whichever is less; and
 - (iii) a total of twelve quarterly proportional payments (commencing on the date that is no later than nine months following the Court Approval Date) to be divided equally over the Proposal Period comprising:
 - (A) the maximum amount of 20% of the aggregate Proven Claims of the Critical Suppliers; and
 - (B) the maximum amount of 2% of the aggregate Proven Claims of the Unsecured Creditors whose Proven Claims have not been paid in accordance with Articles 7.3(c)(ii) or 7.3(c)(iii)(A) hereof.
- 7.4 Notwithstanding the distribution scheme set forth in Article 7.3 hereof, the Company shall be at liberty (in consultation with the Trustee and the Inspector(s)) to prepay any and/or all of the payments contemplated in Article 7.3 hereof prior to the corresponding dates for such payments.

ARTICLE 8

Satisfaction of Claims and Administration of Proposal

- 8.1 All payments to Creditors under this Proposal shall be subject to the Proposal Costs and the Levy, and the final amounts received by such Creditors shall be net of such Proposal Costs and the Levy.
- 8.2 Sections 95 to 101 of the BIA (inclusive) shall not apply to this Proposal.
- 8.3 In accordance with section 56 of the BIA, the Creditors may resolve to appoint one or more Inspectors to assist the Trustee with the administration of this Proposal.
- 8.4 Upon the Trustee having made the payments prescribed herein and having confirmed that the Company has otherwise performed all of its obligations under the Proposal in accordance with Article 7 hereof, the Trustee shall provide the Company with a Certificate of Full Performance of the Proposal pursuant to section 65.3 of the BIA.
- 8.5 Upon issuance by the Trustee to the Company of a Certificate of Full Performance of the Proposal, the Company and the Directors shall be released from all Claims, and all such Claims shall be forever barred and extinguished.
- 8.6 As required by section 60(2) of the BIA, all monies payable under this Proposal shall be paid by the Company to the Trustee, and such monies shall thereafter be distributed by the Trustee in accordance with the Proposal and the BIA.
- 8.7 MNP Ltd. shall be the Trustee under this Proposal.

ARTICLE 9

Compromise, Satisfaction and Release of Claims

- 9.1 Upon the Trustee issuing to the Company a Certificate of Full Performance, the Company and each and every present and former shareholder, officer, director, employee, auditor, financial advisor, legal counsel and agent of the Company and the Trustee and its legal counsel (if any) shall be released and forever discharged from and against any and all Claims, including any and all Claims against Directors, and all such Claims shall be forever barred and extinguished.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 20th day of September, 2024.



RIVERIENE FARM LTD.

Per: _____

Dennis Hagel, Director

Schedule "A"
Cash Flow – Proposal Period

RIVERIENE FARM LTD.
 CASH FLOW FORECAST - PROPOSAL PERIOD
 OCTOBER 1, 2024 TO MARCH 31, 2028

Receipts
 Product AR
 Freight AR
 Supplement AR

Total Receipts

Disbursements

- COGS
- Interest, Bank, Leases, Moneris Fees, Subscrip
- Fuel, Fuel Surcharge, Freight/Delivery
- Payroll, Benefits, CPP/EI, Consultants
- Office Supplies, Meals, Postal, Printing, Adverts
- Rents
- R&M, Tools, Janitorial, Uniforms
- Professional Fees
- Utilities, Phone, Website, Internet
- GST, Property Tax, Insurance
- Proposal - CRA (RP Property claim)
- Proposal - Convenience Class
- Proposal - Critical Suppliers
- Proposal - Non-Convenience Unsecured

Total Disbursements

Cash Flow for the Period
Opening Cash Balance**

Ending Cash Balance

	Quarter 1 Oct 01 - Dec 31, 24	Quarter 2 01 Jan - 31 Mar, 25	Quarter 3 01 Apr - 30 Jun, 25	Quarter 4 01 Jul - 30 Sep, 25	Quarter 5 Oct 01 - Dec 31, 25	Quarter 6 01 Jan - 31 Mar, 26	Quarter 7 01 Apr - 30 Jun, 26	Quarter 8 01 Jul - 30 Sep, 26
Receipts	2,438,150	2,438,150	2,526,810	2,659,800	2,659,800	2,704,130	2,748,460	2,748,460
Product AR	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Freight AR	22,750	22,750	22,750	22,750	22,750	22,750	22,750	22,750
Supplement AR								
Total Receipts	2,590,900	2,590,900	2,679,560	2,812,550	2,812,550	2,856,880	2,901,210	2,901,210
Disbursements	1,937,000	1,937,000	1,963,000	2,015,000	2,015,000	2,093,000	2,171,000	2,171,000
COGS	84,976	84,976	89,074	89,074	89,074	91,122	93,171	93,171
Interest, Bank, Leases, Moneris Fees, Subscrip	59,018	59,018	63,076	63,076	63,076	65,105	67,135	67,135
Fuel, Fuel Surcharge, Freight/Delivery	233,211	233,211	240,287	235,287	254,900	254,900	252,900	252,900
Payroll, Benefits, CPP/EI, Consultants	7,624	7,624	7,624	7,624	7,624	7,624	7,624	7,624
Office Supplies, Meals, Postal, Printing, Adverts	30,564	30,564	30,564	30,564	30,564	30,564	30,564	30,564
Rents	45,553	45,553	45,553	45,553	45,553	45,553	45,553	45,553
R&M, Tools, Janitorial, Uniforms	10,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Professional Fees	29,971	29,971	29,971	29,971	29,971	29,971	29,971	29,971
Utilities, Phone, Website, Internet	151,921	151,921	163,004	163,004	163,004	168,545	174,086	174,086
GST, Property Tax, Insurance	1,746	5,674	2,619	-	-	-	-	-
Proposal - CRA (RP Property claim)	4,217	13,705	6,326	-	-	-	-	-
Proposal - Convenience Class	-	-	32,930	32,930	30,397	30,397	30,397	30,397
Proposal - Critical Suppliers	-	-	1,791	1,791	1,791	1,791	1,791	1,791
Proposal - Non-Convenience Unsecured	-	-	-	-	-	-	-	-
Total Disbursements	2,595,800	2,601,717	2,678,317	2,716,373	2,733,453	2,821,073	2,906,692	2,906,692
Cash Flow for the Period	(4,900)	(10,817)	1,243	96,177	79,097	35,807	(5,482)	(5,482)
Opening Cash Balance**	8,422	3,522	(7,295)	(6,053)	90,125	169,222	205,029	199,547
Ending Cash Balance	3,522	(7,295)	(6,053)	90,125	169,222	205,029	199,547	194,065

** Opening balance per Statement of Affairs


 Date: 2/20/2024

Dennis Hagel, Director

RIVERIERNE FARM L.I.D.
 CASH FLOW FORECAST - PROPOSAL PERIOD
 OCTOBER 1, 2024 TO MARCH 31, 2028

	Quarter 9 Oct 01 - Dec 31, 26	Quarter 10 01 Jan - 31 Mar, 27	Quarter 11 01 Apr - 30 Jun, 27	Quarter 12 01 Jul - 30 Sep, 27	Quarter 13 Oct 01 - Dec 31, 27	Quarter 14 01 Jan - 31 Mar, 28	TOTAL
Receipts							
Product AR	2,881,450	2,925,780	2,970,110	3,014,440	3,058,770	3,103,100	38,877,410
Freight AR	130,000	130,000	130,000	130,000	130,000	130,000	1,820,000
Supplement AR	22,750	22,750	22,750	22,750	22,750	22,750	318,500
Total Receipts	3,034,200	3,078,530	3,122,860	3,167,190	3,211,520	3,255,850	41,015,910
Disbursements							
COGS	2,249,000	2,301,000	2,301,000	2,366,000	2,353,000	2,379,000	30,251,000
Interest, Bank, Leases, Moneris Fees, Subscrip	93,171	95,220	95,220	95,220	97,269	97,269	1,288,009
Fuel, Fuel Surcharge, Freight/Delivery	67,135	69,164	69,164	69,164	71,193	71,193	923,652
Payroll, Benefits, CPP/EI, Consultants	272,513	272,513	272,513	292,127	292,127	292,127	3,651,516
Office Supplies, Meals, Postal, Printing, Adverts	7,624	7,624	7,624	7,624	7,624	7,624	106,736
Rents	30,564	30,564	30,564	30,564	30,564	30,564	427,896
R&M, Tools, Janitorial, Uniforms	45,553	45,553	45,553	45,553	45,553	45,553	637,745
Professional Fees	2,500	2,500	2,500	2,500	2,500	2,500	42,500
Utilities, Phone, Website, Internet	29,971	29,971	29,971	29,971	29,971	29,971	419,594
GST, Property Tax, Insurance	174,086	179,627	179,627	179,627	185,169	185,169	2,392,874
Proposal - CRA (RP Property claim)	-	-	-	-	-	-	10,039
Proposal - Convenience Class	30,397	30,397	30,397	30,397	34,196	35,972	24,248
Proposal - Critical Suppliers	1,791	1,791	1,791	1,791	1,791	1,791	379,202
Proposal - Non-Convenience Unsecured	-	-	-	-	-	-	21,492
Total Disbursements	3,004,306	3,065,925	3,065,925	3,150,538	3,150,958	3,178,734	40,576,503
Cash Flow for the Period	29,894	12,605	56,935	16,652	60,562	77,116	439,407
Opening Cash Balance**	194,065	223,959	236,564	293,499	293,499	310,150	8,422
Ending Cash Balance	223,959	236,564	293,499	310,150	354,061	387,267	447,829


 Dennis Hagel, Director
 Date Sept 20, 2024