

Potato Farming Operation

Acquisition Opportunity

November 2015

Keller & Sons Farming Ltd. and Keller Holdings Ltd. (collectively, "Keller") own and operate a large commercial crop farm located approximately 30 km east of Brandon, Manitoba. Keller was placed into receivership on October 8, 2015 by order of the Court of Queen's Bench of Manitoba (the "Receivership Order"). Ernst & Young Inc. (the "Receiver") was appointed as the Receiver and Manager of Keller pursuant to the Receivership Order. A copy of the Receivership Order is available at: www.ey.com/ca/keller

Pursuant to the Receivership Order, the Receiver is marketing the property of Keller including approximately 6,440 acres of agricultural land, irrigation infrastructure, and associated buildings and machine shop (collectively, the "Potato Farm"). The Potato Farm has been operating on a "business as usual" basis since the Receivership Order. Any transaction involving the Potato Farm will require Court approval.

Key Investment Attributes

- ▶ 48 individual land parcels within a 32 km radius comprising 6,441 deeded acres of agricultural land (approximately 5,970 (+/-) acres of irrigated arable and 470 (+/-) acres of non-irrigated arable). All of the lands are accessible via all weather graveled municipal roads;
- ▶ The Potato Farm grows potatoes for sale under annual contracts to McCain Foods Ltd. (two processing plants located within 25 km and 110 km of the Potato Farm) and Simplot Canada Ltd. (processing plant located in within 90 km of the Potato Farm). Certain of the Potato Farm Lands have previously been leased to other farmers to grow cereal grains and rotational crops;
- ▶ Manitoba is Canada's second largest potato producer¹. Farmland values in Manitoba increased an average of 12.2% in 2014 continuing a trend of yearly increases since 1992²;
- ▶ The Potato Farm's soil is an agriculture classification mix of 3m and 4m (Sandy Loam consisting of Miniota, Marrinhurst, Stockton, and Marsh soil classification) serviced by an extensive irrigation system including 6 wells, 3 pump stations, and 22 pivots, with individual fields serviced by underground irrigation pipeline; and
- ▶ The Potato Farm includes the following structures:

Description	Year Built	Size	Details
Potato Storage Building	2011	136' X 264'	Steel frame and concrete floor with exhaust fans, partitions and bulkheads to maximize utility of potato storage allowing for humidcell control.
Potato Storage Building	2002	136' x 264'	Steel frame and concrete floor with exhaust fans, partitions and bulkheads to maximize utility of potato storage allowing for humidcell control.
Potato Loading and Processing Building	2002	6,720 sq. ft.	Wood frame, metal clad and insulated. Loading infrastructure to potato storage buildings.
Office and Machine Shop	2009	5,600 sq. ft.	Floor space of 4,200 sq. feet and upper office level of 1,400 sq. feet
Machine Shop	2004	60' x 100'	Pole frame metal clad workshop with full concrete floor

(Additional structures on the Potato Farm include grain storage, a cold storage building and two personal residences)

¹ Agriculture and Agri-Food Canada, *Potato Market Information Review 2013 - 2014*

² Farm Credit Canada, April 13, 2014 *2014 Farmland Values Report*



Further Information

Further information on this acquisition opportunity will be provided to qualified parties in a Confidential Information Memorandum (“CIM”) and a data room for those parties that have executed a non-disclosure agreement (“NDA”).

Confidentiality

The information contained in this summary is submitted to parties on a confidential basis for use solely in connection with their consideration of the transaction opportunity described herein. By its acceptance hereof, the recipient agrees that neither it nor any of its employees or advisors shall use the information for any purpose other than the evaluation of the business opportunity, nor shall it divulge the information or distribute this Summary to any other party, in whole or in part, at any time without the prior written consent of the Receiver.

Next Steps

Prospective bidders interested in this opportunity are asked to contact the Receiver directly. Parties will be expected to sign a NDA and return the executed version to the Receiver along with the following information (collectively, the “Access Information”):

- (i) name of individual(s) to receive information;
- (ii) name of company;
- (iii) email address; and,
- (iv) phone number.

Upon receipt of the executed NDA and Access Information, the party may receive the CIM and access to the virtual data room. Prospective Bidders should direct all inquiries to the Receiver who will arrange all appropriate due diligence contacts and will facilitate site visits on a “by appointment only” basis. Potential bidders are instructed not to contact Keller or any of its former employees or consultants without the Receiver’s prior approval. The Receiver will consider qualified bids and any transaction involving Keller’s assets will be subject to Court approval.

The Receiver reserves the right to accept an offer at any time without further notice to parties receiving this acquisition opportunity overview.

Potential bidders are requested to direct all inquiries to one of the persons listed below.

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