Court File No. __________

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF FREDERICTON

IN THE MATTER OF THE RECEIVERSHIP OF:

Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., Gray Aqua Group Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., Pass-My-Can Aqua Farms Ltd., Gray Aqua Processing Ltd., M. Gray Holdings Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608691 N.B. Ltd., 608715 NB Limited and 608716 NB Limited

- and –

PURSUANT TO Section 33 of the *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41 of the *Rules of Court*, N.B. Reg 82-73 and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3

BETWEEN:

CALLIDUS CAPITAL CORPORATION,

APPLICANT

- and –

GRAY'S AQUA MANAGEMENT LTD., GRAY AQUA FARMS LTD., GRAY AQUA GROUP LTD., BUTTER COVE AQUA FARMS LTD., GOBLIN BAY AQUA FARMS LTD., JERVIS ISLAND AQUA FARMS LTD., PASS-MY-CAN AQUA FARMS LTD., GRAY AQUA PROCESSING LTD., M. GRAY HOLDINGS LTD., 608672 N.B. LTD., 608690 N.B. LTD., 608691 N.B. LTD., 608715 NB LIMITED and 608716 NB LIMITED,

RESPONDENTS

APPLICATION RECORD OF CALLIDUS CAPITAL CORPORATION

April 18, 2016

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSUC #51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
E-mail: samr@chaitons.com

Lawyers for the Applicant

PURVIS LAW
105 Connell Street, Unit 5
Woodstock, NB E7M 1K7

Attention: Ian S. Purvis, Q.C.

Lawyers for the Respondents

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L.	Exhibit "L" - New Brunswick Corporate Affairs Registry Database Report for 608691 N.B. Ltd.
M.	Exhibit "M" - New Brunswick Corporate Affairs Registry Database Report for 608715 NB Limited
N.	Exhibit "N" - New Brunswick Corporate Affairs Registry Database Report for 608716 NB Limited
O.	Exhibit "O" - Report of the Proposal Trustee on the Consolidated Proposal dated January 28, 2014
P.	Exhibit "P" - Assignment Agreement made as Of December 11, 2013 (redacted)
Q.	Exhibit "Q" – Callidus Credit Agreement
R.	Exhibit "R" - General Security Agreement dated December 11, 2013
S.	Exhibit "S" - General Security Agreement dated September 17, 2014
T.	Exhibit "T" – Demand Letter and Notice of Intention to Enforce Security dated April 4, 2016
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TAB 1

Court File No.:

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BETWEEN:

CALLIDUS CAPITAL CORPORATION

APPLICANT,

- and –

No. du dossier:

COUR DU BANC DE LA REINE DU NOVEAU-BRUNSWICK

DIVISION DE PRÉMIERE INSTANCE

CIRCONSCRIPTION JUDICIARE DE

NTRE:

REQUÊRANT

-et-

INTIMÉ

GRAY'S AQUA MANAGEMENT LTD., GRAY AQUA FARMS LTD., GRAY AQUA GROUP LTD., BUTTER COVE AQUA FARMS LTD., GOBLIN BAY AQUA FARMS LTD., JERVIS ISLAND AQUA FARMS LTD., PASS-MY-CAN AQUA FARMS LTD., GRAY AQUA PROCESSING LTD., M. GRAY HOLDINGS LTD., 608672 N.B. LTD., 608690 N.B. LTD., 608691 N.B. LTD., 608715 NB LIMITED and 608716 NB LIMITED,

RESPONDENTS.

NOTICE OF APPLICATION (FORM 16D)

TO: The Respondents,

3801 Route 105
Northampton, NB E7N 1C7

LEGAL PROCEEDINGS HAVE BEEN COMMENCED BY FILING THIS NOTICE OF APPLICATION.

The Applicant will make an application before the Court at Justice Building, 427 Queen Street, Fredericton, New Brunswick, on the ____ day of **April, 2016** at ______ **a.m./p.m.** for an order as set out hereunder.

If you wish to oppose this application you must appear at the hearing of the application at the place, date, and time

AVIS DE REQUETE (FORMULE 16D)

DESTINAIRE:

PAR LE DÉPÔT DU PRÉSENT AVIS DE REQUÊTE, UNE POURSUITE JUDICIAIRE A ÉTÉ ENGAGÉE.

Le requérant présentera une requête à la Cour à_____, le_____2016 à __h en vue d'obtenir l'ordonnance décrite ci-dessous.

Si vous désirez contester cette requête, vous devrez comparatre à l'audition de la requête aux lieu, date stated, either in person or by a New Brunswick lawyer acting on your behalf.

et heure indiqués, soit en personne ou par l'intermédiane d'un avocat du Nouveau Brunswick chargé de vous représenter.

If you intend to appear on the hearing of the application and wish to present to the Court at that time affidavit or other documentary evidence to support your position, you must serve a copy of such evidence on the Applicant or his lawyer and, with proof of such service, file it in this Court Office prior to the hearing of the application.

Si vous prévoyez comparatre à l'audition de la requête et désirez présenter à la Cour un affidavit ou une autre preuve littérale en votre faveur, vous devrez signifier copie de cette preuve au requérant ou à son avocat et la déposez, avec une preuve de sa signification, au greffe de cette Cour avant l'audition de la requête.

If you fail to appear on the hearing of the application **AN ORDER WHICH MAY AFFECT YOU MAY BE MADE IN YOUR ABSENCE.**

Si vous ne comparaissez pas à l'audition de la requéte, **UNE ORDONNANCE POUVANT VOUS CONCERNER POURRA ÊTRE RENDUE EN VOTRE ABSENCE.**

You are advised that:

(a) you are entitled to issue documents and present evidence in the proceeding in English or French or both;

(b) the Applicants intend to proceed in the English language; and

(c) if you require the services of an interpreter at the hearing you must advise the clerk at least 7 days before the hearing.

Sachez que:

(a) vous avez le droit dans la présente instance, d'émettre des documents et de présenter votre preuve en français, en anglais ou dans les deux langues;

(b) le requérant a l'intention d'utiliser la langue; et

(c) si vous avez besoin des services d'un interprète à l'audience, vous devez en aviser le greffier au moins 7 jours avant l'audience.

THIS NOTICE is signed and sealed for the Court of Queen's Bench by ____________, Clerk of the Court of Queen's Bench, 427 Queen Street, Fredericton, New Brunswick, on the ____ day of April, 2016.

CET AVIS est signé et scellé au nom de la Cour du Banc de la Reine par , greffier de la Cour, à , ce _____, 2016.

____

Justice Building
427 Queen Street
Fredericton, New Brunswick E3B 5H1

APPLICATION

On the hearing of this Application, the Applicant intends to apply for the following relief:

1. an Order, if necessary, for the abridgment of time for service of this application, excusing the lack of service of this application, or excusing the lack of service of the Applicant's record on application pursuant to Rules 1.03, 2.01, 2.02, 3.02 and 41.04 of the *Rules of Court*, N.B. Reg 82-73 (the "***Rules***");

2. an Order appointing Ernst & Young Inc. as receiver over all real and personal property of the Respondents, without security, pursuant to Rule 41 of the *Rules*, section 33 of the *Judicature Act*, R.S.N.B. 1973, Ch. J-2 (the "***Judicature Act***"), and section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "***BIA***"); and

3. such further and other relief as the Applicant may advise and this Honourable Court may permit.

The capacities of all persons who are parties to the proceeding are as follows:

1. the Applicant, Callidus Capital Corporation, is a body corporate and is a lender to the Respondents;

2. the Respondents are body corporates under the laws of New Brunswick or Newfoundland and Labrador, with their chief executive office located at 3801 Route 105, Northampton, New Brunswick, E7N 1C7.

The grounds to be set out are as follows:

(a) the Applicant has extended credit to the Respondents since December 2013 and is the assignee of the indebtedness and security of the Respondents to their previous operating lender;

(b) to secure all of the Respondents' obligations owing to the Applicant, the Respondents have granted, among other things, general security agreements dated December 11, 2013 and September 17, 2014 (collectively, the "**Security Agreements**");

(c) the Respondents' indebtedness to the Applicant totalled $54,987,322.59 as of April 1, 2016 for principal, interest and fees, plus costs;

(d) the Applicant demanded payment and satisfaction of all obligations on April 4, 2015 and delivered a notice of its intention to enforce security in accordance with section 244 of the *BIA*;

(e) the right to seek a Court appointed receiver over the Respondents is provided in the Security Agreements;

(f) the Respondents have consented to the appointment of a receiver;

(g) the Respondents have failed to meet their obligations as they become due;

(h) the Respondents have numerous secured and unsecured creditors;

(i) the appointment of a receiver is necessary and is just and convenient in the circumstances to ensure the orderly management of the Respondents and/or their assets;

(j) the Applicant has satisfied the conditions precedent to the appointment of a receiver under the *BIA*;

(k) a court appointed receiver is for the benefit of all interested parties and is just and convenient in the circumstances; and

(l) the Applicant relies on the *Rules* including Rules 1, 2, 3, 38, 39, 41 and 41.06, the *Judicature Act* including section 33, and the *BIA* including sections 243, 244, 247 and 248.

The documentary evidence to be relied on at the hearing of the application is:

Affidavit of James W. Hall, sworn to April 15, 2016; and

2. such further and other documentary evidence as counsel may advise and this Honourable Court may permit.

DATED at Toronto, Ontario this 18th day of April, 2016.

CHAITONS LLP

Per:____________________
Sam Rappos of
Chaitons LLP
Lawyers for the Applicant

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Sam Rappos (LSUC #51399S)
Tel: (416) 218-1137
Fax: (416) 218-1837
E-mail: samr@chaitons.com

TAB 2

Court File No. __________

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

JUDICIAL DISTRICT OF FREDERICTON

IN THE MATTER OF THE RECEIVERSHIP OF:

Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., Gray Aqua Group Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., Pass-My-Can Aqua Farms Ltd., Gray Aqua Processing Ltd., M. Gray Holdings Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608691 N.B. Ltd., 608715 NB Limited and 608716 NB Limited

- and –

PURSUANT TO Section 33 of the *Judicature Act*, R.S.N.B. 1973, Ch. J-2, Rule 41 of the *Rules of Court*, N.B. Reg 82-73 and Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, C. B-3

BETWEEN:

CALLIDUS CAPITAL CORPORATION,

APPLICANT

- and –

GRAY'S AQUA MANAGEMENT LTD., GRAY AQUA FARMS LTD., GRAY AQUA GROUP LTD., BUTTER COVE AQUA FARMS LTD., GOBLIN BAY AQUA FARMS LTD., JERVIS ISLAND AQUA FARMS LTD., PASS-MY-CAN AQUA FARMS LTD., GRAY AQUA PROCESSING LTD., M. GRAY HOLDINGS LTD., 608672 N.B. LTD., 608690 N.B. LTD., 608691 N.B. LTD., 608715 NB LIMITED and 608716 NB LIMITED,

RESPONDENTS

AFFIDAVIT OF JAMES W. HALL

I, JAMES W. HALL, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am a Vice President with the Applicant, Callidus Capital Corporation ("**Callidus**"), and have been the account manager responsible for Callidus' loans to the Respondents, Gray's Aqua Management Ltd. ("**Management**"), Gray Aqua Farms Ltd. ("**Farms**"), Gray Aqua Group Ltd. ("**Group**"), Butter Cove Aqua Farms Ltd. ("**Butter Cove**"), Goblin Bay Aqua Farms Ltd. ("**Goblin Bay**"), Jervis Island Aqua Farms Ltd. ("**Jervis Island**"), Pass-My-Can Aqua Farms Ltd. ("**Pass-My-Can**"), Gray Aqua Processing Ltd. ("**Processing**"), M. Gray Holdings Ltd. ("**Holdings**"), 608672 N.B. Ltd. ("**608672**"), 608690 N.B. Ltd. ("**608690**"), 608691 N.B. Ltd. ("**608691**"), 608715 NB Limited ("**608715**") and 608716 NB Limited ("**608716**") (collectively, the "**Gray Companies**"), since November 2014.

2. The facts set forth herein are within my personal knowledge or determined from the face of the documents attached hereto as exhibits and from information and advice provided to me from others. Where I have relied upon such information and advice I have stated the source of the information and advice and verily believe it to be true.

3. The affidavit is sworn in support of the application by Callidus for the appointment of Ernst & Young Inc. ("**EY**") as receiver of the property, assets and undertakings of the Gray Companies pursuant to section 243 of the *Bankruptcy and Insolvency Act* (Canada) (the "***BIA***"), section 33 of the *Judicature Act* (New Brunswick), and rule 41 of the *Rules of Court* (New Brunswick).

Background

4. The Gray Companies and their predecessors have been in business for over 30 years, originally as operators of a salmon smolt hatchery facility in Northampton, New Brunswick. The Gray Companies are controlled and operated by three brothers, Timothy, Jeffrey and Robert Gray.

5. Within the past ten (10) years, the Gray Companies expanded their business such that they now run a vertically integrated aquaculture operation. A summary of the operation, and the companies in the Gray Companies that carry out each step of the operation, is set out below:

(a) Management, a company incorporated under the laws of the Province of New Brunswick, manages the head office facilities for the Gray Companies located in Northampton, New Brunswick. A copy of the New Brunswick Corporate Affairs Registry Database report for Management is attached hereto as **Exhibit "A"**;

(b) Farms, a company incorporated under the laws of the Province of New Brunswick, operates a hatchery facility located in Northampton, New Brunswick, where salmon eggs are grown to smolt (young salmon). A copy of the New Brunswick Corporate Affairs Registry Database report for Farms is attached hereto as **Exhibit "B"**;

(c) Group, a company incorporated under the laws of the Province of Newfoundland and Labrador, runs salmon farming operations at various aquaculture sites located off the South Coast of Newfoundland and Labrador and off the coast of New Brunswick. A copy of the Newfoundland and Labrador Companies and Deeds Online report for Group is attached hereto as **Exhibit "C"**;

(d) Butter Cove, Goblin Bay, Jervis Island, and Pass-My-Can, each companies incorporated under the laws of the Province of Newfoundland and Labrador, collectively control seventeen (17) site interests and four (licenses) for production of farmed salmon off the South Coast of Newfoundland and Labrador. Copies of the Newfoundland and Labrador Companies and Deeds Online reports for these companies are respectively attached hereto as **Exhibits "D"** through **"G"**; and

(e) Processing, a company incorporated under the laws of the Province of Newfoundland and Labrador, owns the salmon processing operation located in Hermitage, Newfoundland and Labrador. A copy of the Newfoundland and Labrador Companies and Deeds Online report for Processing is attached hereto as **Exhibit "H"**.

6. The Gray Companies grow salmon eggs to smolt in the hatchery facility in Northampton, New Brunswick. The hatchery smolt are then sold to third-party buyers and/or transferred to either marine grow-out sites located off the South Coast of Newfoundland and Labrador or located off the coast of New Brunswick, where the product is grown to market size. The Newfoundland and Labrador market sized salmon are subsequently processed at the salmon processing operation located in Hermitage, Newfoundland and Labrador and shipped to customers throughout Canada and the United States. The Gray Companies rely on third parties to process inventory raised in New Brunswick.

7. In addition to Management, Farms, Group, Butter Cove, Goblin Bay, Jervis Island, Pass-My-Can and Processing (collectively, the "**Operating Companies**"), the Gray Companies also includes Holdings, 608672, 608690, 608691, 608715 and 608716 (collectively, the "**Holding**

Companies"). Holdings is a company incorporated under the laws of the Province of Newfoundland and Labrador. The remaining Holding Companies are companies incorporated under the laws of the Province of New Brunswick. The Holding Companies own shares in Farms and Processing. Copies of the Newfoundland and Labrador Companies and Deeds Online report for Holdings, and New Brunswick Corporate Affairs Registry Database reports for the remaining Holding Companies, are respectively attached hereto as **Exhibits "I"** through **"N".**

8. Based on my discussions with the Grays, and my review of information and documentation related to the business and operations of the Gray Companies, it is my understanding that, notwithstanding that some of the Gray Companies are incorporated under the laws of the Province of Newfoundland and Labrador and operate from within that province, the day-to-day operational control and head office of the Gray Companies is based in the corporate headquarters in Northampton, New Brunswick where the Grays reside.

9. The Gray Companies currently employ approximately 64 employees. To the best of my knowledge, none of the employees are unionized and there is no pension plan in place for the employees.

2013 Financial Difficulties and Proposal Proceedings[1]

10. The Gray Companies' operations were materially affected in the spring of 2013 through the discovery of the Infectious Salmon Anemia ("**ISA**") virus at the Goblin Bay and Pass-My-Can sites. As a result of the discovery, the Canadian Food Inspection Agency ("**CFIA**") issued depopulation (with compensation) orders against Group with respect to all inventory maintained

[1] The information contained in paragraphs 10 – 12 and 16 of my affidavit is derived from information obtained from the Report of the Proposal Trustee on the Consolidated Proposal for the Operating Companies dated January 28, 2014, a copy of which is attached hereto and marked as **Exhibit "O"**.

at those sites. At that time, those sites held 100% of the inventory that was to have been marketed from September 2013 to October 2014.

11. As a result of the financial challenges arising from the depopulation order, on August 13, 2013, the Operating Companies then secured operating lender, HSBC Bank Canada ("**HSBC**"), demanded immediate payment of amounts due, totaling approximately $24.8 million plus interest.

12. As a result of the HSBC demand, disputes with CFIA regarding compensation for the inventory losses, and uncertainties related to their long-term financing needs, on August 21, 2013, each of the Operating Companies filed a notice of intention to make a proposal pursuant to the *BIA* and EY was appointed as proposal trustee.

13. In November 2013, Callidus entered into negotiations with the Operating Companies and HSBC to acquire the outstanding HSBC indebtedness and security and to provide working capital facilities to the Operating Companies once they exited from the *BIA* proposal proceedings.

14. Pursuant to an Assignment Agreement made as of December 11, 2013 between Callidus, HSBC and the Operating Companies (other than Processing) (the "**Assignment Agreement**"), HSBC assigned to Callidus all of its right, title and interest in the indebtedness owed to it by the companies and all of the loan and security documents granted in favour of HSBC. A redacted copy of the Assignment Agreement is attached hereto as **Exhibit "P"**.

15. Additionally, as will be discussed in detail below, Callidus entered into a credit agreement with the Gray Companies (other than Processing) as of December 11, 2013.

16. The Operating Companies filed a consolidated proposal to their creditors on January 22, 2014. The terms of the proposal provided that Callidus' secured claim would not be compromised as part of the proposal proceeding. The funding provided by Callidus included a $600,000 proposal implementation fund, which was to be distributed to the companies' preferred and unsecured creditors. The proposal provided for distributions that would have exceeded the likely distributions that would have been available to unsecured creditors in the event that the Operating Companies became bankrupt.

17. I have been informed by George Kinsman, Senior Vice President at EY, who had carriage of the proposal proceeding on behalf of EY as proposal trustee, that the proposal was accepted by the required statutory majority of the companies' creditors at the creditors' meeting held on February 11, 2014, the proposal was approved by the Court on March 10, 2014, and the proposal was fully performed and all distributions had been made by September 25, 2014.

Callidus' Loan and Security Documents

18. As noted above, Callidus, as lender, the Gray Companies (other than Aqua Processing), as borrowers, and Timothy, Jeffrey and Robert Gray, as guarantors, entered into a credit agreement dated as of December 11, 2013. The credit agreement was subsequently amended pursuant to executed letter agreements dated June 9, 2014 and February 3, 2015, and an unexecuted letter agreement dated August 14, 2015 (collectively, the "**Credit Agreement**"). Processing was added as a borrower under the Credit Agreement with the February 3, 2015 amendment. A copy of the Credit Agreement is attached hereto as **Exhibit "Q"**.

19. Pursuant to the Credit Agreement, Callidus provided the Gray Companies with the following demand credit facilities (collectively, the "**Loans**") for the stated purpose to (a)

refinance the existing credit facilities with HSBC, and (b) provide working capital to fund operations:

(a) Facility A: A demand revolving loan in the amount of up to $1,700,000, with the maximum available amount from time to time to be determined by Callidus once each week (or more frequently as determined by Callidus) and to be limited during such time in accordance with the formula described therein, which is based on margining of eligible hatchery freshwater fish inventory, with a reserve for actual and/or potential priority claims and/or statutory encumbrances;

(b) Facility B: A demand revolving loan in the amount of up to $26,500,000, with the maximum available amount from time to time to be determined by Callidus in accordance with the formula described therein, which is based on margining of eligible accounts receivable and marine inventory, with a reserve for actual and/or potential priority claims and/or statutory encumbrances;

(c) Facility C: A demand non-revolving loan in the amount of the lesser of $3,250,000 and 50% of the fair market value of the unencumbered property located at the water lots owned by Butter Cove, Goblin Bay, Jervis Island and Pass-My-Can plus 90% of the forced sale appraised liquidation value of the Gray Companies' unencumbered machinery, equipment and vessels;

(d) Facility D: A demand non-revolving loan in the amount of $7,574,911.72, which was with respect to refinancing the HSBC credit facilities;

(e) Facility E: A demand non-revolving loan in the maximum amount of the lesser of \$450,000 and (i) 75% of the cost of new equipment purchased, or (ii) 90% of the appraised forced sale liquidation value of new equipment. The purpose of this loan was to fund future capital expenditures; and

(f) Facility F: A demand revolving loan in the maximum amount of \$4,000,000 to support temporary intermitted shortfalls of availability under Facility B.

20. The first advance made to the Gray Companies under the Loans occurred on or about January 14, 2014. Under the Credit Agreement, the Gray Companies were originally required to repay the Loans by September 15, 2014. The repayment date was subsequently extended to January 31, 2016.

21. Pursuant to the Credit Agreement, repayment of the Loans was secured pursuant to, among other things:

(a) General Security Agreement dated December 11, 2013 granted by the Holding Companies in favour of Callidus, a copy of which is attached hereto as **Exhibit "R"**;

(b) General Security Agreement dated September 17, 2014 granted by the Operating Companies in favour of Callidus, a copy of which is attached hereto as **Exhibit "S"**;

(c) Share pledge agreements granted by the Holding Companies in favour of Callidus;

(d) Leasehold mortgages granted by Farms and Management in favour of Callidus with respect to real property located in Northampton, New Brunswick;

(e) Leasehold mortgages granted by Butter Cove, Goblin Bay and Pass-My-Can in favour of Callidus with respect to real property located in Newfoundland and Labrador;

(f) Mortgages granted by Processing and Group in favour of Callidus with respect to real property located in Hermitage, Newfoundland and Labrador;

(g) Vessel mortgages granted by Group in favour of Callidus with respect to certain vessels known as The Walter Gray and the Atlantic Harvester II; and

(h) Various security documents granted in favour of HSBC and assigned to Callidus in connection with the Assignment Agreement.

22. Pursuant to the terms of the General Security Agreements granted by the Gray Companies, Callidus may seek the appointment of a receiver by the Court upon the occurrence of an event of default.

Defaults under the Loans and Review of Business and Operations

23. In August 2015, Callidus was informed by the Gray Companies that they had discovered elevated levels of sea lice in or around the first week of July 2015 at its Newfoundland and Labrador marine sites including its site at Indian Tea Point. As a result of the sea lice infestation, the Gray Companies experienced materially elevated mortality rates and the infestation reportedly affected biomass growth rates within the inventory. The Indian Tea Point harvest was anticipated to be the Gray Companies first successful harvest post Callidus financing.

24. The Gray Companies anticipated generating approximately $16,000,000 to $19,000,000 of sales revenue from the Indian Tea Point harvest. However, as a result of the sea lice infestation and other operational issues experienced by the companies, the total harvest revenue from Indian Tea Point only generated approximately $3,500,000. The Gray Companies incurred, and Callidus funded, the majority of the anticipated costs associated with the full grow out of the Indian Tea Point inventory, resulting in a financial crop failure.

25. As a result of the Indian Tea Point crop failure, there was a borrowing base default with respect to Facility B beginning in August 2015, which continues to date, in the amount of $12,173,000.

26. Also, as noted above, the term under the Credit Agreement expired on January 31, 2016. The Gray Companies did not repay the Loans as of January 31, 2016.

27. Following the crop failure, Callidus retained EY in October 2015 to conduct a review of the business operations and financial position of the Gray Companies. The Operating Companies consented to the engagement and worked co-operatively with EY during the course of their review. The financial implications associated with the crop failure are significant and long lasting. The Gray Companies future business model, which formed the primary basis of the EY review, was, in the opinion of Callidus, not supportable without a material equity injection, which the Gray's were unable to provide.

28. Additionally, in March 2016, Callidus was informed by the Gray Companies that approximately 380,000 smolt in the hatchery facility had to be destroyed due to an outbreak of bacterial kidney disease.

Demand under the Credit Agreement and Consent to Receiver

29. As a result of the information reported to Callidus by EY, Callidus reported a pre-tax loan provision of approximately $22.7 million in the fourth quarter of 2015 in connection with the Loans to the Gray Companies, which arose primarily as a result of the Indian Tea Point crop failure and the estimated net realizable associated with the residual Callidus security due to the likelihood that there will be significantly less fish in the grow-out sites due to perpetual inventory records problems.

30. By letter from Chaitons LLP ("**Chaitons**"), lawyers for Callidus, dated April 4, 2016, a copy of which is attached hereto as **Exhibit "T"**, Callidus demanded repayment of the Loans in full. The letter enclosed a Notice of Intention to Enforce Security with respect to the Gray Companies pursuant to section 244(1) of the *BIA*.

31. On April 8, 2016, each of the Gray Companies executed a consent which provided that each of the companies consented to the immediate enforcement of Callidus' security, waived its right to the ten (10) day notice period provided for under section 244 of the *BIA*, and consented to the Court-appointment of a receiver over all of the Gray Companies' property, assets and undertakings. A copy of the signed consent is attached hereto as **Exhibit "U"**.

Other Secured Creditors

32. I have been informed by Chaitons that they conducted *Personal Property Security Act* ("***PPSA***") searches with respect to each of the Gray Companies in the Provinces of New Brunswick and Newfoundland and Labrador. Attached hereto as **Exhibit "V"** is a copy of chart prepared by Chaitons that lists all of the *PPSA* registrations filed against the Gray Companies.

33. I have also been informed by Chaitons that they arranged for searches to be conducted with respect to real property owned or leased by the Gray Companies in the Provinces of New Brunswick and Newfoundland and Labrador. Attached hereto as **Exhibit "W"** is a copy of chart prepared by Chaitons that lists all of the real property and the registrations filed against such properties.

34. As set out in the *PPSA* registrations chart, the vast majority of the Gray Companies' other personal secured creditors are parties that have security over specific equipment. An exception to this is Business Development Bank of Canada ("**BDC**"), which was granted general security from the Gray Companies.

35. Callidus, BDC and the Gray Companies entered into an intercreditor agreement dated as of March 2, 2015 (the "**Intercreditor Agreement**"), pursuant to which, among other things, BDC's security ranks in priority to Callidus security over real property owned by the Gray Companies (with the exception of parcels of real property located in the ocean for rearing fish inventory), two vessels (AEG Feeder and Atlantic Harvester) and various other personal property chattels specifically references therein. A redacted copy of the Intercreditor Agreement is attached hereto as **Exhibit "X"**.

36. I have been informed by Chaitons that it has been in contact with counsel to BDC and are discussing the terms to be incorporated into the receivership order in the event that the Court grants such an order.

37. I have also been informed by Chaitons that all of the parties with *PPSA* and/or real property registrations with respect to the Gray Companies will be served with a copy of Callidus application record.

It is Just and Convenient to Appoint a Receiver

38. The Gray Companies are in default of their obligations to Callidus and Callidus is entitled to appoint a receiver under its security. The Gray Companies have consented to the appointment of a receiver over their property, assets and undertakings.

39. Callidus proposes that EY be appointed as receiver, as it is well situated to complete the mandate given its past role as proposal trustee for the Operating Companies and advisor to Callidus in monitoring and reviewing the business. EY has consented to accept the appointment. A copy of the consent is attached hereto and marked as **Exhibit "Y"**.

40. Callidus is prepared to provide super-priority funding to EY in the event that it is appointed by the Court as receiver of the Gray Companies at the applicable interest rate set out in the Credit Agreement.

41. I swear this affidavit in support of Callidus' application and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 15th day of April, 2016	))))))	
Esme Froggett **A Notary Public for the Province of Ontario**	))	**JAMES W. HALL**

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DAY OF APRIL, 2016

A Commissioner etc.

Service New Nouveau Brunswick

Corporate Affairs Registry Database

Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2235025**
- Authorization #: **043926**
- Date of Transaction: **2016-04-05 03:08:06**
- HST #: **10786 3888 RT0006**

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New Search Previous

General Information	
Reference Number:	510245
Name:	GRAY'S AQUA MANAGEMENT LTD.
Registration Date:	1999-09-17
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2014-12-29

Available Documents
Click here to view electronic documents for this record.
Click here to order paper copies of documents.
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Annual Return Information	
Last Annual Return Filed:	2015

Name Change History	
Business Names:	510245 N.B. LTD.
Name Change Date:	2003-07-03

Registered Office	
Address:	3801 Route 105 Northampton NB E7N 1C7

Directors	
Name:	Gray, Tim
Address:	3801 Route 105 Northampton NB E7N 1C7
Name:	Gray, Robert
Address:	3801 Route 105 Northampton NB E7N 1C7
Name:	Gray, Jeffrey
Address:	3801 Route 105 Northampton NB E7N 1C7

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Brunswick

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Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2235028**
- Authorization #: **050424**
- Date of Transaction: **2016-04-05 03:08:27**
- HST #: **10786 3888 RT0006**

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New Search | Previous

General Information	
Reference Number:	050006
Name:	GRAY AQUA FARMS LTD.
Registration Date:	1991-06-05
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2013-08-14

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Annual Return Information	
Last Annual Return Filed:	2015

Registered Office	
Address:	3801 Route 105 Northampton NB E7N 1C7

Directors	
Name:	GRAY, ROBERT F
Address:	Gray Aqua Farms Ltd. 395 Route 560 JACKSONVILLE NB E7M 3H4
Name:	Gray, Jeffrey W
Address:	Gray Aqua Farms Ltd 130 St. Andrews Street Woodstock NB E7M 2S5
Name:	Gray, Timothy Rhodes .
Address:	Gray Aqua Farms Ltd 3799 Route 105 Northampton NB E7N 1C7

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CANADA

Service NL

Companies and Deeds Online - CADO

Detailed Company Information

Company Name: GRAY AQUA GROUP LTD.

Not in Good Standing

Company Number:	54209	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2014-06-30	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2006-07-18	**Min/Max Directors:**	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:
c/o Clyde Collier
Conne River
NL Canada

Mailing Address:
3801 Route 105
Northampton
NB Canada
E7N 1C7

Return

[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Current Directors

Records Found: 3 Viewing Records: 1-3

Director Name
Jeff Gray
Rob Gray
Tim Gray

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Newfoundland Labrador

Service NL

Companies and Deeds Online - CADO

Detailed Company Information

Company Name: BUTTER COVE AQUA FARMS LTD.

In Good Standing

Company Number:	54198	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2015-06-30	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2006-07-17	**Min/Max Directors:**	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:	**Mailing Address:**
c/o Gray Aqua Group Ltd	Butter Cove Aqua Farms Ltd.
PO Box 220	3801 Route 105
St. Alban's	Northampton
NL Canada	NB Canada
A0H 3E0	E7N 1C7

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[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Current Directors

Records Found: 3 Viewing Records: 1-3

Director Name
Jeff Gray
Rob Gray
Tim Gray

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Newfoundland Labrador CANADA

Service NL

Companies and Deeds Online - CADO

Detailed Company Information

Company Name: GOBLIN BAY AQUA FARMS LTD.

Not in Good Standing

Company Number:	54208	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2014-06-30	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2006-07-18	**Min/Max Directors:**	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:
c/o Clyde Collier
Conne River
NL Canada

Mailing Address:
Goblin Bay Aqua Farms Ltd.
3801 Route 105
Northampton
NB Canada
E7N 1C7

Return

[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Previous Names

Name	Date Changed
GREEN POINT AQUA FARMS LTD.	2007-02-28

Current Directors

Records Found: 3 Viewing Records: 1-3

Director Name
Jeff Gray
Rob Gray
Tim Gray

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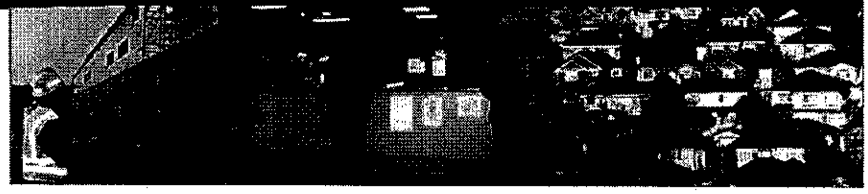

Service NL

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Detailed Company Information

Company Name: JERVIS ISLAND AQUA FARMS LTD.

In Good Standing

Company Number:	54206	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2015-06-30	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2006-07-18	**Min/Max Directors:**	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:
c/o Gray Aqua Group Ltd.
PO Box 220
St. Alban's
NL Canada
A0H 2E0

Mailing Address:
Jervis Island Aqua Farms Ltd.
3801 Route 105
Northampton
NB Canada
E7N 1C7

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Return

[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Current Directors

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Director Name
Jeff Gray
Rob Gray
Tim Gray

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Detailed Company Information

Company Name: PASS-MY-CAN AQUA FARMS LTD.

In Good Standing

Company Number:	54207	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2015-06-30	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2006-07-18	**Min/Max Directors:**	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:
c/o Gray Aqua Group Ltd.
PO Box 220
St. Alban's
NL Canada
A0H 2E0

Mailing Address:
Pass- My -Can Aqua Farms Ltd.
3801 Route 105
Northampton
NB Canada
E7N 1C7

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Return

[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Current Directors

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Director Name
Jeff Gray
Rob Gray
Tim Gray

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Detailed Company Information

Company Name: GRAY AQUA PROCESSING LTD.

In Good Standing

Company Number:	63592	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2015-10-31	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2010-11-01	**Min/Max Directors:**	2 / 6

Additional Information:

(Latest addresses on file)

Registered Office:
1-3 Plant Road
Hermitage
NL Canada

Mailing Address:
3801 Route 105
Northampton
NB Canada
E7N 1C7

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Return

[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Previous Names

Name	Date Changed
Conne River Processing Ltd.	2011-04-06

Current Directors

Records Found: 3 Viewing Records: 1-3

Director Name
Jeff Gray
Rob Gray
Tim Gray

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Detailed Company Information

Company Name: M. Gray Holdings Ltd.

In Good Standing

Company Number:	63451	**Corporation Type:**	Company
Status:	Active	**Category:**	Local
Last Annual Return:	2015-09-30	**Business Type:**	With Share Capital
Incorporation Jurisdiction:	NL	**Filing Type:**	Incorporation With Share Capital
Incorporation Date:	2010-10-13	**Min/Max Directors:**	1 / 3

Additional Information:

(Latest addresses on file)

Registered Office:
c/o Gray Aqua Group Ltd
PO Box 220
St. Alban's
NL Canada
A0H 2E0

Mailing Address:
M Gray Holdings
3801 Route 105
Northampton
NB Canada
E7N 1C7

Obtain a Certificate of Good Standing (Fee $10.00)

Return

[Previous Names] [Amalgamated Information] [Current Directors] [Historical Remarks]

Current Directors

Records Found: 1 Viewing Records: 1-1

Director Name
Michelle Gray

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Help

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- Transaction Amount: **$3.39**
- Transaction #: **2235031**
- Authorization #: **057369**
- Date of Transaction: **2016-04-05 03:08:50**
- HST #: **10786 3888 RT0006**

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New Search Previous

General Information	
Reference Number:	608672
Name:	608672 N.B. Ltd.
Registration Date:	2003-09-25
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2016-01-06

Available Documents

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Annual Return Information	
Last Annual Return Filed:	2015

Registered Office	
Address:	3799 Route 105 Northampton NB E7N 1C7

Directors	
Name:	Gray, Timothy
Address:	3799 Route 105 Northampton NB E7N 1C7

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Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2235035**
- Authorization #: **075909**
- Date of Transaction: **2016-04-05 03:09:10**
- HST #: **10786 3888 RT0006**

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New Search | Previous

General Information	
Reference Number:	608690
Name:	608690 N.B. Ltd.
Registration Date:	2003-09-29
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2015-11-07

Available Documents
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Annual Return Information	
Last Annual Return Filed:	2015

Registered Office	
Address:	395 Route 560 Jacksonville NB E7M 3H4

Directors	
Name:	Gray, Robert F.
Address:	395 Route 560 Jacksonville NB E7M 3H4

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Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Date of Transaction: **2016-04-05 03:09:33**
- Transaction #: **2235037**
- HST #: **10786 3888 RT0006**
- Authorization #: **081885**

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New Search Previous

General Information	
Reference Number:	608691
Name:	608691 N.B. Ltd.
Registration Date:	2003-09-29
Category Code:	60
Category:	corporation -- Business Corporations Act
Status Code:	I
Status:	Intent to Dissolve
Last Status Change Date:	2015-08-10

Available Documents
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Annual Return Information	
Last Annual Return Filed:	2013

Registered Office	
Address:	130 St. Andrews Street Woodstock NB E7M 2S5
Mailing Address	
Name:	Jeffrey Gray
Address:	Jeffrey Gray 130 St. Andrews Street Woodstock NB E7M 2S5

Directors	
Name:	Gray, Jeffrey
Address:	130 St. Andrews Street Woodstock NB E7M 2S5

Annual Return Deficiencies	
Annual Returns:	2015, 2014
Filing Fees:	2015, 2014

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Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2235043**
- Authorization #: **005147**
- Date of Transaction: **2016-04-05 03:10:07**
- HST #: **10786 3888 RT0006**

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New Search | Previous

General Information	
Reference Number:	608715
Name:	608715 NB Limited
Registration Date:	2003-09-29
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2015-11-07

Available Documents

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Annual Return Information	
Last Annual Return Filed:	2015

Registered Office	
Address:	395 Route 560 Jacksonville NB E7M 3H4

Directors	
Name:	Gray, Robert F.
Address:	395 Route 560 Jacksonville NB E7M 3H4

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Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2235047**
- Authorization #: **011696**
- Date of Transaction: **2016-04-05 03:10:31**
- HST #: **10786 3888 RT0006**

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New Search | Previous

General Information	
Reference Number:	608716
Name:	608716 NB Limited
Registration Date:	2003-09-29
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	I
Status:	Intent to Dissolve
Last Status Change Date:	2015-08-10

Available Documents

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Click here to order certified copies of documents.

Annual Return Information	
Last Annual Return Filed:	2013

Registered Office	
Address:	130 St. Andrews Street Woodstock NB E7M 2S5

Directors	
Name:	Gray, Jeffrey
Address:	130 St. Andrews Street Woodstock NB E7M 2S5

Annual Return Deficiencies	
Annual Returns:	2015, 2014
Filing Fees:	2015, 2014

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DAY OF APRIL, 2016

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ESTATE NO: 51-1780540
COURT FILE NO.: 19425

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE CONSOLIDATED PROPOSAL OF THE GRAY AQUA GROUP OF COMPANIES

REPORT OF THE PROPOSAL TRUSTEE ON THE CONSOLIDATED PROPOSAL

28 January 2014

INTRODUCTION

1. On 21 August 2013 (the "NOI Date"), Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Gray Aqua Processing Ltd., Gray Aqua Group Ltd., Butter Cove Aqua Farms Ltd., Pass-My-Can Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., and Jervis Island Aqua Farms Ltd. (collectively referred to as "the Debtors" or the "Gray Aqua Group of Companies") each filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to the *Bankruptcy and Insolvency Act* (the "BIA"). Ernst & Young Inc. consented to act as proposal trustee (the "Proposal Trustee") under each of the Debtors' proposals.

2. As a result of the NOI filings, stays of proceedings were initially granted through 20 September 2013. The stays of proceedings have since been extended on five (5) separate occasions. The latest extension order dated 9 December 2013 provided the time for the Gray Aqua Group of Companies, or any one of them, to make a Proposal in these proceedings to be extended for 45 days commencing from and including the 9th day of December 2013, to and including the 23rd day of January 2014.

3. Observing a need to reduce the administrative burden on the respective restructuring estates, the overall convenience to creditors and other logistical factors, on 13 September 2013 the Proposal Trustee applied for and obtained six (6) Orders from the Newfoundland and Labrador Supreme Court (in Bankruptcy and Insolvency) transferring to the jurisdiction of the New Brunswick Court of Queen's Bench and/or the Registrar in Bankruptcy for the Province of New Brunswick those matters involving six (6) Newfoundland and Labrador-domiciled Gray Aqua Group of Companies, which Orders facilitated the continued collective administration of all of the Gray Aqua Group of Companies BIA restructuring proceedings in the Province of New Brunswick.

4. On 7 January 2014, the Gray Aqua Group of Companies applied for and obtained a Consolidation Order from the Court of Queen's Bench of New Brunswick (the "Consolidation Order") authorizing the Gray Aqua Group of Companies to file a single Consolidated Proposal addressing their pre-NOI filing obligations.

5. On 22 January 2014, the Gray Aqua Group of Companies filed a Consolidated Proposal with the Proposal Trustee, in accordance with Section 62(1) of the BIA. A copy of the Consolidated Proposal is included in the Notice of Proposal to Creditors, pursuant to Section 51 of the BIA. The Consolidated Proposal should be read in conjunction with this report.

6. All documents relevant to these proceedings are posted on the Proposal Trustee's website, which can be found at www.ey.com/ca/graygroup.

7. The purpose of this report on the Consolidated Proposal (the "Report") is to provide creditors of the Gray Aqua Group of Companies with information pertaining to:

   a. background information on the Gray Aqua Group of Companies, their financial situation and the state of their businesses and financial affairs;

   b. the terms of the Consolidated Proposal;

   c. the Proposal Trustee's findings resulting from its preliminary review of transactions that may be considered to be Preferences or Transfers at Undervalue ("TUVs") as required under the BIA;

   d. the estimated amounts distributable to Affected Creditors (as defined in the Consolidated Proposal) under the Consolidated Proposal as compared to the estimated distribution to creditors in the event that the Consolidated Proposal is not accepted and the Gray Aqua Group of Companies are deemed to have made assignments in bankruptcy; and

   e. the Proposal Trustee's recommendation to Affected Creditors in respect of voting on the Consolidated Proposal.

TERMS OF REFERENCE

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms used herein not otherwise defined are as defined in the Consolidated Proposal.

9. The Proposal Trustee has based its comments in the Report on information it has obtained from the Gray Aqua Group of Companies but has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of such information contained in the Report.

BACKGROUND AND CAUSES OF FINANCIAL DIFFICULTY

Background

10. The Gray Aqua Group of Companies operates collectively as a vertically integrated business. They grow salmon smolt from eggs in their New Brunswick hatchery and subsequently grow those salmon smolt to market size fish in their Newfoundland and Labrador marine grow-out sites. The market size fish are eventually processed in the Debtors' production facility which is located in Newfoundland and Labrador.

11. For ease of reference, the eight (8) companies comprising the Gray Aqua Group of Companies together with a brief summary of their respective operating activities are provided in Table 1.0 below.

Table 1.0 - Summary of the Debtors' operating activities

Entity	Summary of Operating Activities
Gray Aqua Farms Ltd. ("GAF")	- Salmon smolt hatchery operation located in Northampton, New Brunswick
Gray Aqua Group Ltd. ("GAG")	- Salmon farming operation located at various aquaculture sites off of the South Coast of Newfoundland and Labrador
Gray Aqua Processing Ltd. ("GAP")	- Salmon processing operation located in Hermitage, Newfoundland and Labrador
Gray's Aqua Management Ltd. ("GAM")	- Manager of the Debtors' head office facilities situated in Northampton, New Brunswick
Jervis Island Aqua Farms Ltd. ("JIAF"), Goblin Bay Aqua Farms Ltd. ("GBAF"), Pass-My-Can Aqua Farms Ltd. ("PMC"), and Butter Cove Aqua Farms Ltd. ("BCAF") (together the "Site Companies")	- Collectively control 17 site interests and 4 licenses for production of farmed salmon off the South Coast of Newfoundland and Labrador

Causes of Financial Difficulty

12. The Gray Aqua Group of Companies' operations were materially affected in the Spring of 2013 as the Infectious Salmon Anemia ("ISA") virus was detected at their Goblin Bay and Pass-My-Can marine sites. The detection of the ISA virus caused the Canadian Food Inspection Agency ("CFIA") to issue depopulation (with compensation) orders against GAG, in relation to all inventory maintained in those sites which held 100% of the Debtors' inventory that was to have been marketed between September 2013 and October 2014.

13. The Debtors' operating line with its primary lender, HSBC Bank of Canada ("HSBC"), was drawn to approximately $20.5 million as at 13 August 2013. The operating line was primarily supported by the value of the Debtors' inventory which was effectively replaced by a CFIA compensation claim receivable arising from the depopulation orders which had been issued.

14. Compensation claims totaling $16.5 million were ultimately determined to be payable by, and were subsequently paid by, CFIA with respect to the Spring 2013 losses. Management does not agree with CFIA's assessment of the value of the loss associated with its Goblin Bay site. The Proposal Trustee has been advised by counsel to the Debtors that appeals with respect to the CFIA Goblin Bay claim and a previous claim involving a similar loss at the Debtors' Butter Cove site have been filed by the Debtors seeking additional compensation from CFIA in the amount of $8.45 million. As the compensation claims are the subject of disputes between the parties, the timing and quantum, if any, of additional recoveries to the Debtors from CFIA with respect to the compensation claims are uncertain.

15. On 13 August 2013, as a result of the financial challenges arising from the depopulation orders which had been issued and the uncertainties related to the Debtors' long-term prospects, HSBC demanded immediate repayment of the amounts due which, as at the date of demand, totaled $24.8 million plus interest.

16. As a result of the HSBC demands, the CFIA compensation claim disputes and the uncertainties related to finding sources of long-term financing to satisfy the Debtors' financing needs, the Debtors determined that the best course of action to restructure their financial affairs was to seek stays of proceedings by filing NOIs with the Office of the Superintendent of Bankruptcy.

THE CONSOLIDATED PROPOSAL

17. This section of the Report provides an overview of the terms of the Consolidated Proposal but readers are cautioned that reading the Report is not a substitute for reading the Consolidated Proposal. Creditors are strongly encouraged to review the Consolidated Proposal itself in its entirety

prior to voting on the Consolidated Proposal. Creditors are also encouraged to discuss the terms of the Consolidated Proposal with their legal and financial advisors.

Overview of the Consolidated Proposal

18. The purpose of the Consolidated Proposal is to effect a restructuring of the business and affairs of the Gray Aqua Group of Companies with the expectation that all Creditors would derive a greater benefit from the continued operation of the business. The Debtors believe that the anticipated financial return offered by the Consolidated Proposal including the anticipated recovery on pre-filing obligations, combined with the opportunity to generate post-filing margin on future sales of product and/or services to the Gray Aqua Group of Companies on a going concern-basis, greatly exceeds any potential recoveries that might be generated if the Gray Aqua Group of Companies' assets are liquidated through bankruptcy proceedings. The treatment of Creditors pre-filing claims under the Consolidated Proposal can be summarized as follows:

Secured Creditors

19. There are two (2) classes of Secured Creditors identified in the Consolidated Proposal: (a) the Callidus Class; and (b) the Secured Creditor General Class.

Callidus Class

20. By agreement dated 11 December 2013, Callidus Capital Corporation ("Callidus") acquired certain indebtedness previously due to HSBC by GAG, GAF and GAM along with HSBC's loan and security agreements in support of said indebtedness including the guarantees of certain Debtor companies. The value of the HSBC indebtedness acquired by Callidus totalled $10,824,911.72 (the "Callidus Loans"), as follows:

    a. GAG Indebtedness - $9,726,258.30 (guaranteed by GAF, BCAF, GBAF, JIAF and PMC);

    b. GAF Indebtedness - $1,000,049.67 (guaranteed by BCAF, GBAF, JIAF and PMC);

    c. GAM Indebtedness - $98,603.75 (no guarantees); and

    d. GAP Indebtedness - $nil

21. The Callidus Class shall consist of a single secured claim to be filed by Callidus. The Callidus Class secured claim will not be compromised pursuant to the terms of the Consolidated Proposal. Callidus will not be impacted by the Consolidated Proposal in relation to the secured balance of its claim against the Gray Aqua Group of Companies.

Secured Creditor General Class

22. It is proposed that the temporal term of all existing capital leases shall be deemed extended by the amount of time passing between the NOI Date and the date following the Effective Date on which payments resume, which shall be within 30 days of the Effective Date, on the normal calendar day for repayment, and secured facility payments (interest and principal payments inclusive) shall be deemed extended by the number of stayed payments. The proposed treatment of Secured Creditor General Class claimants is to not compromise any portion of their indebtedness but simply to defer and extend the stayed obligations to the end of their respective contract terms.

Preferred and Unsecured Creditors

23. For the purpose of considering and voting on the Consolidated Proposal, there shall be two (2) classes of Unsecured Creditors (which may include Preferred Creditor Claims pursuant to section 136 of the BIA): (a) Unsecured GAP Creditors; and (b) Unsecured General Creditors. The Debtors have negotiated post-filing financing facilities with Callidus which are intended to provide sufficient working capital to sustain the integrated business, fund the grow-out of the fish inventories and fund the Proposal Implementation Fund, as defined in the Consolidated Proposal, in the amount of $600,000.

24. The $600,000 Proposal Implementation Fund, will be distributed between the Preferred Creditors and the two (2) classes of Unsecured Creditors based upon any accepted Proofs of Claim which will have been delivered and accepted by the Proposal Trustee prior to the stipulated Claims Bar Date, as follows:

    a. First, the Distribution Claims of all Preferred Creditors as of the NOI Date shall be paid in full, without interest, from the Proposal Implementation Fund, in priority to the claims of all Unsecured Creditors;

    b. Second, the Distribution Claims of the Unsecured GAP Creditors shall be compromised and settled in full satisfaction of their claims as follows:

        i. The lower of (a) an amount equal to the first $600 of the Unsecured GAP Creditor's Proven Claim (the "Unsecured Base Payment") or (b) the total amount of the Unsecured GAP Creditor's Proven Claim shall be paid. In the case of an Unsecured GAP Creditor whose Proven Claim does not exceed $600, the foregoing payment shall be in full satisfaction of its Claim;

        ii. Where an Unsecured GAP Creditor's Proven Claim exceeds the amount of the Unsecured Base Payment, a top up payment (the "GAP Top-Up") shall be paid to the Unsecured GAP Creditor to bring the total amount to be distributed to the

Unsecured GAP Creditor ("Unsecured Base Payment plus GAP Top-Up") to equal 25% of the Proven Claim (without duplication); and

iii. Distributions to the Unsecured GAP Creditors shall be released from the Proposal Implementation Fund only after all Distribution Claims of the Preferred Creditors have been paid.

c. Third, the Distribution Claims of the Unsecured General Creditors shall be compromised, settled and satisfied from the residual balance remaining in the Proposal Implementation Fund after all distributions and payments have been made with respect to the Preferred Creditors and the Unsecured GAP Creditors and shall be calculated as follows:

i. The lower of an amount equal to the Unsecured Base Payment of the Unsecured General Creditor's Proven Claim or the total amount of the Unsecured General Creditor's Proven Claim shall be paid. If an Unsecured General Creditor's Proven Claim does not exceed $600, the foregoing payment shall be in full satisfaction of its Claim; and

ii. Where an Unsecured General Creditor's Proven Claim exceeds the amount of the Unsecured Base Payment, the Distribution Claim value (without duplication) shall be paid to the Unsecured General Creditor on a pro-rata basis, less the Unsecured Base Payment, from the residual balance remaining in the Proposal Implementation Fund after distributions and payments to the Preferred Creditors, Unsecured GAP Creditors and Unsecured Base Payment to the Unsecured General Creditors have been made.

25. The Consolidated Proposal provides that the payments of the Distribution Claims from the Proposal Implementation Fund shall occur within 90 days of the Effective Date.

Subsequent Creditors

26. Amounts owed by the Debtors to Subsequent Creditors for employment and for goods and services actually provided to the Debtor subsequent to the NOI Date and up to and including the Effective Date, but not for damages, severance or termination or other claims arising, will be paid by the Debtors in the ordinary course of business according to normal credit terms.

PREFERENCES AND TRANSFERS AT UNDERVALUE

27. As part of its statutory duties under the BIA, the Proposal Trustee conducted a preliminary review ("the Preliminary Review") of the Debtors' transactions for the 12-month period immediately preceding

the commencement of these proceedings to identify whether there was any prima facie evidence of Preferences or TUVs within the meaning of the BIA.

28. On 20 August 2013, the day before the Debtors' NOI filing, the Proposal Trustee became aware that Management released 42 cheques totalling $51,626 (the "Cheques"). The Cheques were issued contrary to the advice of the Proposal Trustee. The recipients of the Cheques (apart from the Minister of Finance) can generally be described as small local vendors. The Proposal Trustee advised Management of its obligation to report the release of the Cheques to its creditors and to the Court. As at the time of the NOI filing, approximately $35,000 of the Cheques had not cleared the Debtors' bank account and Management declined the Proposal Trustee's requests to put stop payments on the Cheques. The Proposal Trustee has previously reported the issue to the Registrar in Bankruptcy, New Brunswick.

29. The Proposal Trustee is of the preliminary view that the release of the Cheques on 20 August 2013 may constitute a Preference, as defined by the BIA, and therefore may be voidable if the Debtors were to become bankrupt.

30. During the Preliminary Review, the Proposal Trustee did not identify any additional transactions that appear to be Preferences. Further, the Preliminary Review did not identify any transactions that appear to be TUVs.

ESTIMATED DISTRIBUTION IN THE EVENT OF BANKRUPTCIES

31. Management has prepared Statements of Affairs ("SOAs") as at 22 January 2014 for each of the individual member of the Gray Aqua Group of Companies based upon the respective Net Book Values of each corporate entity and Management's assessment of the net realizable values of their assets. The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the SOAs, other than as stated in the Report, and consequently express no opinion thereon.

32. The SOAs prepared by Management have been used by the Proposal Trustee to undertake an assessment of the estimated realizable values ("ERV") for each of the individual Gray Aqua Group of Companies in the event that the Consolidated Proposal fails and the Debtors are deemed to be bankrupt.

33. For ease of reference, Table 2.0 provides a summary of the Net Book Values of the Debtors' assets, on an entity-by-entity basis, as at 22 January 2014.

34. Table 3.0 provides a summary of the ERV of the Debtors assets, on an entity-by-entity basis, in the event that the Debtors were to become bankrupt. Tables 2.0 and 3.0 should be reviewed in

conjunction with the explanatory notes provided on pages 10 to 14 of the Report.

35. The Proposal Trustee estimates that in the event that the Consolidated Proposal fails and deemed bankruptcies occur, there will be insufficient proceeds realized to satisfy the full amounts of the claims of the Secured Creditors in GAG, GAF, GAM and the Site Companies' estates in bankruptcy. Accordingly, the estimated amount available to the Unsecured General Creditors in the event of a bankruptcy of GAG, GAF, GAM, and the Site Companies' is nil.

36. The Proposal Trustee estimates that the net realizable value of GAP's assets, in the event of bankruptcy, is likely sufficient to satisfy GAP Secured Creditor Claims, with a small residual balance being available for the benefit of the Unsecured GAP Creditors. The Proposal Trustee estimates the net residual amount available to the Unsecured GAP Creditors, in a bankruptcy scenario, to be approximately $200,000 or an estimated 13% recovery on Unsecured GAP Creditor claims.

Table 2.0

GRAY AQUA GROUP OF COMPANIES
NET BOOK VALUES AS AT 22 JANUARY 2014

	Gray Aqua Group Ltd.	Gray Aqua Farms Ltd.	Gray's Aqua Management Ltd.	Site Companies (Note 1)	Gray Aqua Processing Ltd.
Assets					
Accounts Receivable	9,821,468	8,499,687	1,213,563	-	-
Inventory	5,758,178	1,654,230	-	-	-
Real Property	-	370,512	200,433	-	1,882,781
Machinery and Equipment	6,303,572	988,055	9,134	-	1,587,769
Prepaid Expenses	101,577	-	21,388	-	-
Input Tax Credits	695,113	236,193	-	-	-
HST Receivable	244,443	86,560	-	-	-
Investments	-	1,224,756	-	-	-
Site Licences	-	-	-	-	-
Total Net Book Value	22,924,351	13,059,993	1,444,518	-	3,470,550

Note 1 - The Site Companies are comprised of Butter Cove Aqua Farms Ltd., Pass-My-Can Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., and Jervis Island Aqua Farms Ltd which collectively control 17 site interests and four (4) licences for the production of farmed salmon off the South Coast of Newfoundland and Labrador. The site interests or licences are carried at nil value in the Site Companies' financial accounts. The Site Companies do not own any other assets and have no reported liabilities with the exception of the cross corporate guarantees.

Table 3.0

GRAY AQUA GROUP OF COMPANIES
ESTIMATED REALIZABLE VALUE AS AT 22 JANUARY 2014

	Notes	GAG	GAF	GAM	Site Companies	GAP
Assets						
Accounts Receivable	1	1,134,566	250,592	-	-	
Inventory	2	1,440,000	415,000	-	-	
Real Property	3	-	390,000	300,000	-	1,882,781
Machinery and Equipment	4	4,500,000	760,000	2,500	-	1,587,769
Prepaid Expenses	5	-	-	-	-	
Input Tax Credits	6	-	-	-	-	
HST Receivable	7	-	-	-	-	
Investments	8	-	-	-	-	
Site Licences	9	-	-	-	4,000	
Total Estimated Realizable Value		**7,074,566**	**1,815,592**	**302,500**	**4,000**	**3,470,550**
Less: Preferred Creditors and Secured Creditor claims						
Preferred Creditor Claims	10	(7,000)	(8,121)	(24,209)	-	
Amount Due to Secured Creditors	11	(11,468,534)	(12,495,251)	(1,589,374)	(10,726,308)	(3,146,780)
Estimated Surplus/(Deficiency)		**(4,400,969)**	**(10,687,780)**	**(1,311,083)**	**(10,722,308)**	**323,770**
Less: Estimated Costs of Realization						**(125,000)**
Estimated Amounts Available to Unsecured Creditors		**NIL**	**NIL**	**NIL**	**N/A**	**198,770**
Unsecured Creditor Claims		13,368,644	1,644,522	422,158	-	**1,485,756**
Estimated Recovery % Unsecured Creditors		0%	0%	0%	0%	13%

We have set out below the basis upon which the ERV was prepared:

Note 1 – Accounts Receivable

GAG Accounts Receivable - The net book value of GAG's Accounts Receivable as at 22 January 2014 totalled $9.8 million, consisting of the following:

$8.5 million – CFIA compensation claims under appeal;
$1.1 million – Intercompany receivable due from GAP; and
$0.25 million – Intercompany receivable due from GAM

As discussed earlier in the Report, appeals with respect to the CFIA compensation claims have been filed. As the claims are subject to dispute, the quantum of recovery, if any, and timing for same is uncertain. For the sole purpose of preparing the ERV, the Proposal Trustee has assumed a net recovery of $1.0 million in relation to the CFIA compensation claims under appeal.

The unsecured intercompany receivables from GAP and GAM have been valued based upon the above ERV analysis, wherein unsecured GAM claims are expected to generate a nil return and GAP unsecured claims are expected to recover 13%. Based on the foregoing, the Proposal Trustee has assumed total realizations from GAG Accounts Receivable to be approximately $1.1 million.

GAF Accounts Receivable **–** The net book value of GAF's Accounts Receivable as at 22 January 2014 totalled $8.5 million, consisting of the following:

$8.2 million - Intercompany receivable due from GAG;
$0.1 million – Intercompany receivable due from GAP; and
$0.2 million – Third-party smolt sale receivable

The unsecured intercompany receivables from GAG and GAP have been valued based upon the above ERV analysis, wherein unsecured GAG claims are expected to generate a nil return and GAP unsecured claims are expected to recover 13%. The third-party smolt sale is expected to be fully recoverable. Based on the foregoing, the Proposal Trustee has assumed total realizations from GAF Accounts Receivable to be approximately $0.3 million.

GAM Accounts Receivable **–** The net book value of GAM's Accounts Receivable as at 22 January 2014 totalled $1.2 million, consisting of the following:

$0.6 million - Intercompany receivable due from GAF; and
$0.6 million – Other related party claims

The unsecured intercompany receivable from GAF has been valued based upon the above ERV analysis, wherein unsecured GAF claims are expected to generate a nil return. The other related party claims are due from the three common shareholders of the Gray Aqua Group of Companies either in their personal capacity or their holding companies. The three common shareholders have all guaranteed the Gray Aqua Group of Companies' secured indebtedness to HSBC (Callidus) and BDC. Consequently, in the event of a default and subsequent recovery action being taken by Callidus and BDC, the Proposal Trustee has assumed a nil recovery from the related party receivables.

Note 2 – Inventory

GAG Inventory - The net book value of GAG's inventory as at 22 January 2014 totalled $5.7 million in relation to approximately 920,000 pre-market salmon, with an average weight of 530 grams. In October 2013, Management sought expressions of interest ("EOI") from a number of key industry participants as they explored the possibility of selling the GAG inventory. No offers to acquire the inventory materialized through the EOI requests.

The significant consolidation of the aquaculture industry in recent years has dramatically reduced the number of potential buyers for the inventory. In recognition of the limited market and the unfavourable response to the October 2013 EOI process and in consideration of the substantial capital investment required to grow out the GAG inventory to market sized product, the Proposal Trustee has assumed a net recovery in a forced sale bankruptcy scenario of 25% of the invested cost, resulting in an ERV of $1.4 million.

GAF Inventory - The net book value of GAF's inventory as at 22 January 2014 totalled $1.7 million in relation to approximately 2.4 million smolt, with an average weight of 30 grams. The EOI process noted above also offered industry participants the opportunity to present offers to purchase the GAF inventory. No offers were received.

The GAF inventory is intended to primarily supply GAG's going concern needs for Spring 2014 smolt introductions. In the event of a bankruptcy, it is uncertain if any industry participant has a need or site availability to acquire the GAF smolt. The Proposal Trustee has assumed a net recovery in a forced sale bankruptcy scenario of 25% of the invested cost, resulting in an ERV of $0.4 million.

Note 3 – Real Property

GAF Real Property – GAF maintains a leasehold interest in a 19,251 square foot hatchery facility located at 3801 Route 105 Northampton, New Brunswick (PID 10241479). In 2011, the leasehold interest was appraised (fair market value) at $0.8 million based upon an assumed sell down period of 18 to 24 months. In consideration of an expedited sale process in a bankruptcy scenario, the Proposal Trustee has assumed a net recovery in a bankruptcy scenario of 50% of the 2011 appraised market value, resulting in an estimated realization of $0.4 million.

GAM Real Property – GAM maintains a leasehold interest in a 44,800 square foot office space and attached warehouse facility located at 3801 Route 105 Northampton, New Brunswick (PID 10241479). In January 2014 an appraisal report was prepared that valued the GAM leasehold interest on a forced sale liquidation basis at 0.4 million. The Proposal Trustee has assumed this value for the purpose of its ERV analysis.

GAP Real Property – GAP's real property is comprised of a newly constructed fish processing facility in Hermitage, Newfoundland and Labrador. The net book value of the processing facility at 22 January 2014 was $1.9 million, effectively representing the invested cost to acquire the land and construct the facility. Management has advised that several industry participants have expressed interest in acquiring the GAP processing facility.

The Proposal Trustee has discussed the estimated valuation of the GAP processing facility with a local industry consultant. In consideration of the market interest expressed in the property, its recent construction date and its strategic location to service south coast producers, and after consultation with the industry consultant, the Proposal Trustee has assumed a net recovery in a forced sale bankruptcy scenario of $1.9 million, representing the facilities current net book value.

Note 4 – Machinery and Equipment

GAG Machinery and Equipment - GAG's machinery and equipment is comprised of vessels, boats, aquaculture equipment and cage systems. The net book value of GAG's machinery and equipment was $6.3 million as at 22 January 2014. In preparing the ERV, the Proposal Trustee reviewed GAG's detailed machinery and equipment listings and applied a recovery range estimate of 25% to 65% of net book values or, where available, appraised values for the assets. The estimated recovery percentages were applied as follows:

Boats – 65% of net book value or appraised value in recognition of the various alternative markets and users for such assets.

Vessels and barges – 50% of net book value or appraised value in recognition of the more specific nature of such assets and linkage to the aquaculture industry.

Aquaculture equipment and caging systems – 25% of net book value based upon the specific nature of the assets and limited number of industry participants.

The Proposal Trustee has assumed a net recovery in a forced sale bankruptcy scenario of $4.5 million with respect to GAG's machinery and equipment.

GAF Machinery and Equipment – GAF's machinery and equipment is comprised of vehicles, holding tanks and other miscellaneous machinery and equipment used in the Debtors' hatchery facility. The net book value of GAF's machinery and equipment was $1.0 million as at 22 January 2014.

In recognition of the consolidations within the aquaculture industry and surplus hatchery capacity that exists in Atlantic Canada, the Proposal Trustee has assumed a net recovery in a bankruptcy scenario of 25% of the GAF machinery and equipment net book value or where available 25% of the appraised value, with the exception of certain assets subject to capital leases which have been valued at an amount equal to the outstanding specific debt, resulting in an ERV of $0.8 million from GAF machinery and equipment.

GAM Machinery and Equipment – GAM's machinery and equipment is comprised of office equipment and furnishings. The Proposal Trustee has assumed a net recovery in a forced sale bankruptcy scenario of 25% of the net book value.

GAP Machinery and Equipment – GAP's machinery and equipment is comprised of newly purchased (unused) fish processing equipment, portioning machine, and infeeding system, with a net book value of $1.6 million as at 22 January 2014. As noted above, several industry participants have expressed interests to acquire the GAP processing facility, including the plant equipment.

In consideration of the market interest identified, the state of the brand new (unused) equipment and in recognition of the strategic location of the plant and the equipment to service south coast producers, the Proposal Trustee has assumed a net recovery in a bankruptcy scenario of $1.6 million, effectively representing the machinery and equipment's current net book value.

Note 5 – Prepaid Expenses

GAG and GAM Prepaid Expenses – Prepaid expenses are comprised of payments for goods and services to be received in the near future. While the prepaid expenses are recorded as assets, they are limited in their transferability and, as such, generally have no commercial value in a bankruptcy scenario. Accordingly, the Proposal Trustee has assumed a nil recovery from prepaid expenses.

Note 6 – Investment Tax Credits ("ITCs")

GAG and GAP ITCs - ITCs in GAP and GAG as at 22 January 2014 totalled $0.7 million and $0.2 million respectively. The ITCs have accrued as a result of the Debtors' investment in qualifying machinery and equipment and are only available for offset against future incomes taxes payable. Accordingly, in preparing the ERV the Proposal Trustee has assumed a nil recovery.

Note 7 – HST Receivable

GAG and GAF HST Receivable – The Debtors' records report HST Receivables of $0.2 million and $0.1 million in GAG and GAF respectively as at 22 January 2014. Canada Revenue Agency ("CRA") is withholding the release of the Debtors refunds pending the completion of an ongoing HST audit. The Proposal Trustee has assumed a nil recovery from the HST receivables.

Note 8 – Investments

GAF Investment – The GAF Investment pertains to its $1.2 million preferred share investment in GAG. GAF's preferred share claim in a bankruptcy scenario would rank behind all other creditors including the unsecured creditors to the estate. The Proposal Trustee has assumed a nil recovery from the investment in a bankruptcy scenario.

Note 9 - Site Licences

Site Licences – As discussed earlier in the Report, the Site Companies control 17 site interests and four (4) licences for the production of farmed salmon off the South Coast of Newfoundland and Labrador. The interests are carried at a nil value on the Site Companies' financial statements.

Management offered to sell its interest in the site licenses as part of the EOI process identified above. None of the industry participants approached expressed any interest in the licenses. The Proposal Trustee has assumed a nominal $1,000 recovery per site licence for the purpose of the ERV analysis.

Note 10 – Preferred Creditor Claims

In reviewing the Debtors' books and records, the Proposal Trustee identified a number of unsecured creditors who may be eligible to file valid Preferred Claims against the estates pursuant to Section 136 of the BIA, in relation to payroll obligations, property taxes and rent arrears owing during the 3-month period immediately preceding the NOI Date.

Note 11 – Secured Creditor Claims

The composition of the Secured Claims, based on information provided by Management, is set out in Table 5.0 below. The Proposal Trustee has obtained an independent legal opinion, subject to certain customary assumptions and qualifications for an opinion of this nature, confirming that the security held by HSBC (now Callidus) and BDC is valid and enforceable. Furthermore, a review of the PPSA registry confirms that proper PPSA registrations have been filed by the Secured Creditors identified.

Table 5.0

GRAY AQUA GROUP OF COMPANIES
SUMMARY OF SECURED CREDITORS BY LEGAL ENTITY

Secured Creditor	**GAG**	**GAF**	**GAM**	**Site Companies**	**GAP**
Callidus Capital Corporation	9,726,258	10,726,308	96,919	10,726,308	-
Business Development Bank of Canada	1,492,454	1,492,454	1,492,454	-	2,854,768
Blue Chip Leasing Corp.	39,328	-	-	-	-
Capital Underwriters Inc..	84,426	94,689	-	-	-
Central Community Development Corp.	-	-	-	-	146,006
CNH Capital Canada Ltd	-	36,628	-	-	-
De Lage Landen Financial Services	14,528	-	-	-	-
Ford Credit Canada Leasing	38,019	-	-	-	-
GE Canada Equipment Finance	48,528	-	-	-	-
Mercado Capital Corporation	24,993	24,165	-	-	-
Roynat Inc.	-	52,730	-	-	-
South Coast Community Development Corp.	-	-	-	-	146,006
The Bank of Nova Scotia	-	31,528	-	-	-
Wells Fargo Equipment Finance	-	36,749	-	-	-
Total Secured Creditors	**11,468,534**	**12,495,251**	**1,589,374**	**10,726,308**	**3,146,780**

Comparison of Proposal Dividend vs. Bankruptcy Dividend

37. The comparison of the estimated financial outcome for Unsecured GAP Creditors under the Consolidated Proposal versus a bankruptcy scenario is summarized in Table 6.0 below.

Table 6.0

GRAY AQUA GROUP OF COMPANIES
PROPOSAL VERSUS BANKRUPTCY COMPARISON
UNSECURED GAP CREDITORS

	Amount of Claims (Note 1)	Consolidated Proposal (Note 2)	Estimated Proposal Dividend (Note 3)	Estimated Bankruptcy Dividend (Note 4)
Unsecured Base Payment - $600	13,521	13,521	100%	13%
GAP Top Up Payment - Over $600	245,509	52,112	21%	13%
Total Affected Unsecured GAP Creditors	259,030	65,633	25%	13%

Notes

1. The estimated Amount of Claims excludes Related Party Claims as, under the terms of the Consolidated Proposal, Related Party Claims are Unaffected Creditors and are not entitled to a distribution.

2. Estimated distributions to Unsecured GAP Creditors to bring the total distribution amount to equal 25% of the Proven Claim.

3. Estimated Proposal Dividend is shown before any statutory levies payable on distributions.

4. As per the ERV prepared by the Proposal Trustee for GAP, the amount available to Unsecured GAP Creditors in a bankruptcy is estimated to be 13% of the estimated GAP Unsecured Creditor claim value.

38. The comparison of the estimated outcome for Unsecured General Creditors under the Consolidated Proposal versus a bankruptcy scenario is summarised in Table 7.0 below.

Table 7.0

GRAY AQUA GROUP OF COMPANIES
PROPOSAL VERSUS BANKRUPTCY COMPARISON
UNSECURED GENERAL CREDITORS

	Amount of Claims (Note 1)	Consolidated Proposal (Note 2)	Estimated Proposal Dividend (Note 3)	Estimated Bankruptcy Dividend (Note 4)
Unsecured Base Payment - $600	78,259	78,259	100%	0%
Residual Plan Implementation Pro-Rata Allocation	6,170,696	417,333	7%	0%
Total Affected Unsecured General Creditors	6,248,955	495,592	8%	0%

Notes

1. The estimated Amount of Claims excludes Related Party Claims as, under the terms of the Consolidated Proposal, Related Party Claims are Unaffected Creditors and are not entitled to a distribution.

2. Estimated distributions available to Unsecured General Creditors after payment of Preferred Creditors in the estimated amount of $39,330 and Unsecured GAP Creditors.

3. Estimated Proposal Dividend is shown before any statutory levies payable on distributions.

4. As per the ERV prepared by the Proposal Trustee for GAG, GAF and GAM, the amount available to Unsecured General Creditors in a bankruptcy is estimated to be nil.

SUMMARY COMMENTS

39. It is the opinion of the Proposal Trustee that the Consolidated Proposal is in the best interest of the Secured, Unsecured and Preferred Creditors. If the Consolidated Proposal is rejected and bankruptcies ensue, the estimated dividend to the Unsecured General Creditors in the bankruptcies is almost certain to be nil and the estimated dividend to the Unsecured GAP Creditors is estimated to be approximately 50% of the estimated dividend offered pursuant to the Consolidated Proposal. Accordingly, the Proposal Trustee recommends that the Affected Creditors support the Gray Aqua Group of Companies' Consolidated Proposal. Furthermore, the Proposal Trustee intends to vote any proxies that it receives, in favour of the Consolidated Proposal.

Ernst & Young Inc.,
The Trustee acting in the Consolidated Proposal of
the Gray Aqua Group of Companies and
not in its personal capacity

Per:

George Kinsman, CA, CIRP
Senior Vice President

THIS IS EXHIBIT "P" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

ASSIGNMENT AGREEMENT made as of the 11th day of December, 2013.

B E T W E E N:

HSBC BANK CANADA
(hereinafter called the "**Assignor**")

- and -

CALLIDUS CAPITAL CORPORATION
(hereinafter called the "**Assignee**")

- and -

GRAY AQUA GROUP LIMITED
(hereinafter called "**Group**")

- and -

GRAY'S AQUA MANAGEMENT LTD.
(hereinafter called "**Management**")

- and -

GRAY AQUA FARMS LTD., BUTTER COVE AQUA FARM LTD., GOBLIN BAY AQUA FARM LTD., JERVIS ISLAND AQUA FARM LTD., and PASS-MY-CAN AQUA FARM LTD.
(hereinafter collectively called the "**Guarantors**")

RECITALS

A. As of the close of business on December 10, 2013, Group is indebted to the Assignor in the aggregate amount of $9,726,258.30 (Can) (collectively, the "**Group Indebtedness**"), excluding a contingent liability in respect of Standby Letter of Credit No. SKNHT0312039, dated April 3, 2013 (the "**Contingent Liability**"), particulars of Group's Indebtedness excluding the Contingent Liability are set out on **Schedule "A"** attached hereto.

B. As of the close of business on December 10, 2013, Gray Aqua Farms Ltd. ("**Farms**") is indebted to the Assignor in the aggregate amount of $1,000,049.67 (Can) (collectively, the "**Farms Indebtedness**"), particulars of which are set out on **Schedule "A"** attached hereto.

C. As of the close of business on December 10, 2013, Management is indebted to the Assignor in the aggregate amount of $98,603.75 (Can) (collectively, the "**Management Indebtedness**"), particulars of which are set out in Schedule "A" attached hereto.

D. The Assignor has been granted and holds the agreements, instruments and documents more particularly described in **Schedule "B"** attached hereto with respect to, and as security for repayment of, the Group Indebtedness, the Farm Indebtedness, and the Management Indebtedness (collectively, the "**Indebtedness**").

E. All agreements, instruments and documents from any of the Group, Farms, Management or the Guarantors to or for the benefit or in favour of the Assignor or to which the Assignor is a party together with any of the Group, Farms, Management or the Guarantors, excluding a Guarantee issued by the Export Development Bank of Canada ("**EDC**") to the Assignor with an Effective Date of May 1, 2012 and all rights and benefits thereunder (the "**Deficiency Guarantee**") an Account Performance Security Guarantee No. 57024 issued by EDC to the Assignor (the "**EDCPSG**") and excluding, in respect of Policy No. GE141723 issued to Group by EDC, the benefits thereunder assigned by Group to the Assignor in respect of certain accounts receivable of Group purchased, without recourse, by the Assignor (the "**EDC A/R Insurance**"), but including, without limitation, the documents described in Schedule "B" attached hereto are hereinafter collectively referred to as the "**Loan and Security Documents**".

F. The Assignor has agreed to assign and transfer its right, title and interest in the Leased Equipment (as defined below) to Group for $1.00.

G. The Assignor has agreed to transfer its right, title and interest in the Indebtedness other than the Contingent Liability and the Loan and Security Documents to the Assignee.

H. The Assignor has agreed to release Group and the Guarantors in respect of the Contingent Liability.

I. The Assignee has agreed to purchase the Indebtedness and the Loan and Security Documents from the Assignor f[redacted]the "**Purchase Price**").

J. Contemporaneously with the execution and delivery of this Assignment Agreement, the Assignee has paid to the Assignor the sum o[redacted]on account of the Purchase Price with the balance to be paid pursuant to the terms of this Assignment Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), the parties hereto agree as follows:

<u>Assignment</u>

1. The Assignor does hereby assign to the Assignee absolutely all of its right, title and interest in and to the Indebtedness other than the Contingent Liability.

2. The Assignor does hereby assign to the Assignee absolutely, all of its right, title and interest in and to the Loan and Security Documents excluding the Deficiency Guarantee, the EDC PSG and the EDC A/R Insurance, together with all supporting documentation (including without limitation, all supporting certificates, opinions, etc. in connection with same) including, without limitation, all of the benefits and advantages to be derived therefrom.

3. The assignments in paragraphs 1 and 2 are each made on the basis that there are no representations, warranties or conditions, express or implied, made by the Assignor or by anyone on its behalf with respect to the Indebtedness and the Loan and Security Documents, save and except as follows:

   (a) the recitals of this Assignment Agreement except as limited herein are true and accurate;

   (b) as of the close of business on December 10, 2013, the Indebtedness is as set out in Schedule "A" hereto;

   (c) the Loan and Security Documents represent all of the loan and security documentation with respect to the Indebtedness, other than the Deficiency Guarantee, the EDC PSG and the EDC A/R Insurance, true and complete copies of which have been delivered to the Assignee;

(d) the Assignor has the right, without further approval, or consent of any person, to assign, transfer and set over the Indebtedness and each of the assigned Loan and Security Documents to the Assignee; and

(e) the Assignor has not knowingly done or permitted any act, matter or thing to be done whereby the Indebtedness and the Loan and Security Documents or any of them has been limited, released, postponed, discharged, amended, compromised or assigned, in whole or in part, except as evidenced by the Loan and Security Documents or as disclosed, in writing, to the Assignee.

The representations and warranties of the Assignor contained in this Paragraph 3 shall not merge and shall survive the closing of the transaction contemplated herein.

4. The Assignee acknowledges and agrees that it is accepting the assignment of the Indebtedness and the Loan and Security Documents on an "as is" basis, without recourse against the Assignor in any respect, except that this paragraph 4 shall not apply to any breach of or inaccuracy with respect to any of the Assignee's representations and warranties under paragraph 3 of this Assignment Agreement.

5. Group, Farms, Management and the Guarantors each agree to the assignment of the Indebtedness and the Loan and Security Documents by the Assignor to the Assignee.

6. Group acknowledges that as of the close of business on December 10, 2013, the amount of the Group Indebtedness is as set out in Schedule "A" hereto. Furthermore, Group confirms that it does not dispute its liability to pay the Group Indebtedness on any ground whatsoever, that it has no claim, demand, setoff or counter-claim against the Assignor on any basis whatsoever, and that there is no matter, fact or thing which may be asserted by it in extinction or diminution of the Group Indebtedness or result in any bar to or delay in the recovery thereof. If there are any claims for setoff, counter-claim or damages, they are hereby expressly released and discharged.

7. Farms acknowledges that as of the close of business on December 10, 2013, the amount of the Farms Indebtedness is as set out in Schedule "A" hereto. Furthermore, Farms confirms that it does not dispute its liability to pay the Farms Indebtedness on any ground whatsoever, that it has no claim, demand, setoff or counter-claim against the Assignor on

any basis whatsoever, and that there is no matter, fact or thing which may be asserted by it in extinction or diminution of the Farms Indebtedness or result in any bar to or delay in the recovery thereof. If there are any claims for setoff, counter-claim or damages, they are hereby expressly released and discharged.

8. Management acknowledges that as of the close of business on December 10, 2013, the amount of the Management Indebtedness is as set out in Schedule "A" hereto. Furthermore, Management confirms that it does not dispute its liability to pay the Management Indebtedness on any ground whatsoever, that it has no claim, demand, setoff or counter-claim against the Assignor on any basis whatsoever, and that there is no matter, fact or thing which may be asserted by it in extinction or diminution of the Management Indebtedness or result in any bar to or delay in the recovery thereof. If there are any claims for setoff, counter-claim or damages, they are hereby expressly released and discharged.

9. Each of the Guarantors confirms that it has granted the guarantees described in Schedule "B" hereto in favour of the Assignor (singularly, a "**Guarantee**" and collectively, the "**Guarantees**"). Each of the Guarantors does not dispute its liability on any basis whatsoever under the Guarantees and confirms that it has no claim for setoff, counter-claim or damages on any basis whatsoever against the Assignor. If there are any claims, they are hereby expressly released and discharged. Each of the Guarantors confirms that the respective Guarantee has not been released, waived or varied, that it is binding upon it and that it is valid and enforceable against it in accordance with its written terms.

Leased Equipment and Balance of Purchase Price

10. In consideration of payment of $1.00 by Group to the Assignor and other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), the Assignor does hereby assign to Group all of its right, title and interest in and to the leased equipment described in the Fixed Rate Lease Schedules attached hereto in **Schedule "C"** (the "**Leased Equipment**"), which are the subject of the Master Leases that are listed on Schedule "B" hereto as part of the Loan and Security Documents.

11. Payment of the balance of the Purchase Price of [redacted] shall be made pursuant to an agreement to be made between the Assignor and the Assignee on or before August 31, 2014. It is understood and agreed that the timing of the payment of the balance of the purchase price provided for in such agreement will be based on performance of Group, Management and Farms (the "**Operating Entities**") and their forecasted availability of funds all as determined by the Assignee acting in good faith and in a commercially reasonable manner. Until such time as the balance of the purchase price has been paid in full, at the request of the Assignor, the Assignee will provide the Assignor with particulars of the performance of the Operating Entities and the forecasted availability of funds. It is further mutually understood and agreed that the performance of the Operating Entities and/or the forecasted availability of funds may result in a delay in the repayment of the balance of the purchase price and, provided the Assignee has acted in a commercially reasonable manner and in good faith, it shall have no obligation to the Assignor for the payment of the balance of the Purchase Price which shall always be an unsecured obligation of Group, Management and the Guarantors due and payable in the event of a bankruptcy and provable in bankruptcy.

General

12. The Assignee hereby undertakes and agrees to register such documents, file such statements and give such notices as may be required to record the assignment of the Loan and Security Documents and the Indebtedness and the Assignee and its solicitors are hereby authorized to do so, to the extent that the Assignor's consent and authorization is required at all appropriate registry offices in respect of the Loan and Security Documents.

13. The Assignor shall concurrently with the execution of this Assignment Agreement deliver the copies of the Loan and Security Documents and the registrant's copies of all financing statements and financing change statements in the Assignor's possession which it caused to be registered in connection with the Loan and Security Documents under the *Personal Property Security Act* (New Brunswick) or other personal property registration system.

14. From and after the date hereof, the Assignor shall not receive payment on account of the Indebtedness and any such payments which may be received by the Assignor,

notwithstanding the foregoing, shall be received in trust for the Assignee and shall be paid over to the Assignee forthwith upon receipt.

15. The parties hereto hereby agree and undertake to the other at the sole cost and expense of the requesting party, to execute such further and other documents or assurances as may be necessary to give effect to the assignment of the Indebtedness and the Loan and Security Documents.

16. The Assignee agrees that the enforcement of, and all other dealings with, the Indebtedness and the Loan and Security Documents shall be done in the name of the Assignee and not in the name of the Assignor.

17. The Assignee acknowledges and agrees that apart from the representations made by the Assignor in paragraph 3, the Assignee has satisfied itself on all matters with respect to the Indebtedness and the Loan and Security Documents and the assignment thereof and has not relied on the Assignor or anyone on the Assignor's behalf with respect to any such matters.

18. This Assignment Agreement constitutes the entire agreement with respect to the subject matter hereof and there are no other terms, conditions, provisos, agreements, warranties or representations, other than those expressly contained herein.

19. The Assignee and each of Group, Farms, Management and the Guarantors acknowledge and agree that the Assignor be and is hereby released from any and all of its obligations under the Loan and Security Documents including but not limited to any obligation to make any credit facilities available to any of them.

20. This Assignment Agreement may be signed in counterparts and each of such counterpart shall constitute an original document and all of which counterparts taken together shall constitute one and the same instrument.

21. Executed copies of this Assignment Agreement may be provided by facsimile transmission or email transmission in PDF format at the applicable facsimile number or email address shown below and shall be conclusively deemed to have been executed and

delivered and shall be binding on the party delivering such copy upon receipt by the other party hereto of such faxed or emailed copy:

(a) If to the Assignor:

HSBC Bank Canada
70 York Street
Toronto, ON M5J 1S9
Attn: Stephen Wayland
Fax: 416-868-3812
Email: stephen_wayland@hsbc.ca

(b) If to the Assignee:

Suite 4320, Royal Trust Tower
77 King Street West
Toronto, ON M5K 1K2
Attention: David Reese
Fax: 416-941-9876
Email: dreese@CallidusCapital.ca

(c) If to Group, Management and the Guarantors

c/o Timothy Gray
3801 Route 105
Northhampton NB E7N 1C7
Email: tim@graysaqua.ca

22. This Assignment Agreement shall be construed in accordance with the laws of the Province of New Brunswick and the laws of Canada applicable herein.

23. This Assignment Agreement shall be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties have executed this Assignment Agreement as of the date first above written.

HSBC BANK CANADA

By:
Name: STEPHEN G. WAYLAND
Title: ASSISTANT VICE PRESIDENT

By:
Name: J.S. BRYDON
Title: ASSISTANT VICE PRESIDENT

I/We have authority to bind the corporation.

CALLIDUS CAPITAL CORPORATION

By:____________________
Name: David Reese
Title: Chief Operating Officer

By:____________________
Name: James A. Riley
Title: Director and Secretary

We have authority to bind the corporation.

GRAY AQUA GROUP LIMITED

By:____________________
Name:
Title:

I have authority to bind the corporation.

GRAY'S AQUA MANAGEMENT LTD.

By:____________________
Name:
Title:

I have authority to bind the corporation.

GRAY AQUA FARMS LTD.

By:____________________
Name:
Title:

I have authority to bind the corporation.

BUTTER COVE AQUA FARM LTD.

By:____________________
Name:
Title:

I have authority to bind the corporation.

IN WITNESS WHEREOF the parties have executed this Assignment Agreement as of the date first above written.

HSBC BANK CANADA

By:________________________
Name:
Title:

By: ________________________
Name:
Title:

I/We have authority to bind the corporation.

CALLIDUS CAPITAL CORPORATION

By:________________________
Name: James A. Riley
Title: Director and Secretary

By: ________________________
Name:
Title:

I/We have authority to bind the corporation.

GRAY AQUA GROUP LIMITED

By:________________________
Name:
Title:

I have authority to bind the corporation.

GRAY'S AQUA MANAGEMENT LTD.

By:________________________
Name:
Title:

I have authority to bind the corporation.

GRAY AQUA FARMS LTD.

By:________________________
Name:
Title:

I have authority to bind the corporation.

BUTTER COVE AQUA FARM LTD.

By:________________________
Name:
Title:

I have authority to bind the corporation.

IN WITNESS WHEREOF the parties have executed this Assignment Agreement as of the date first above written.

HSBC BANK CANADA

By:________________________
Name:
Title:

By:________________________
Name:
Title:

I/We have authority to bind the corporation.

CALLIDUS CAPITAL CORPORATION

By:________________________
Name: James A. Riley
Title: Director and Secretary

By:________________________
Name:
Title:

I/We have authority to bind the corporation.

GRAY AQUA GROUP LIMITED

By:________________________
Name: TIM GRAY
Title: PRESIDENT

I have authority to bind the corporation.

GRAY'S AQUA MANAGEMENT LTD.

By:________________________
Name: TIM GRAY
Title: PRESIDENT

I have authority to bind the corporation.

GRAY AQUA FARMS LTD.

By:________________________
Name: ROBERT GRAY
Title: PRES.

I have authority to bind the corporation.

BUTTER COVE AQUA FARM LTD.

By:________________________
Name: TIM GRAY
Title: PRESIDENT

I have authority to bind the corporation.

GOBLIN BAY AQUA FARM LTD.

By: ______________________
Name: TIM GRAY
Title: PRESIDENT

I have authority to bind the corporation.

JERVIS ISLAND AQUA FARM LTD.

By: ______________________
Name: TIM GRAY
Title: PRESIDENT

I have authority to bind the corporation.

PASS-MY-CAN AQUA FARM LTD.

By: ______________________
Name: TIM GRAY
Title: PRESIDENT

I have authority to bind the corporation.

SCHEDULE "A"

Debt as at the close of business on December 10, 2013 on account of

Group Indebtedness as at the close of business on December 10, 2013

Operating Line Principal	$7,511,475.34 (Can)
Interest	$ 170,367.05 (Can)
Professional Fees	$ 222,661.65
Leases	$1,821,754.26

Farms Indebtedness as at the close of business on December 10, 2013

Overdraft Principal	$ 43,416.94
Interest	$ 224.82
Leases	$ 956,407.91

Management Indebtedness as at the close of business on December 10, 2013

Term Loan Principal	$ 97,313.63
Interest	$ 1,290.12

SCHEDULE "B"

LOAN AND SECURITY DOCUMENTS

Group Indebtedness

1. Facility letter dated October 4, 2011 between HSBC Bank Canada, as lender, Gray Aqua Group Limited, as borrower, and Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., and Pass-My-Can Aqua Farm Ltd. as guarantors

2. Amendment letter dated October 14, 2011 between HSBC Bank Canada, as lender, Gray Aqua Group Limited, as borrower, and Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., and Pass-My-Can Aqua Farm Ltd. as guarantors

3. Amendment letter dated November 9, 2011 between HSBC Bank Canada, as lender, Gray Aqua Group Limited, as borrower, and Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., and Pass-My-Can Aqua Farm Ltd. as guarantors

4. Amendment letter dated July 23, 2012 between HSBC Bank Canada, as lender, Gray Aqua Group Limited, as borrower, and Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., and Pass-My-Can Aqua Farm Ltd. as guarantors

5. Amendment letter dated March 1, 2013 between HSBC Bank Canada, as lender, Gray Aqua Group Limited, as borrower, and Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., and Pass-My-Can Aqua Farm Ltd. as guarantors

Management Indebtedness

1. Facility letter dated November 9, 2011 between HSBC Bank Canada, as lender, and Gray's Aqua Management Ltd., as borrower

Security

1. Debenture dated November 14, 2011 from Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., and Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada to a maximum principal amount of$25,000,000.00. The debenture provides HSBC with a first, fixed and specific mortgage over all real property, both freehold and leasehold including, without limitation,

   a) the water lot at Butter Cove, Bay d'Espoir, NL

b) the water lot at Goblin Bay, Bay d'Espoir, NL
c) the water lot at Great Jervis Island, Bay d'Espoir, NL
d) the water lot at Pass-My-Can, Bay d'Espoir, NL

Debenture provides a floating charge on all other assets and undertaking of the Issuers. (Governed by-laws of NL)

2. Undertaking dated November 14, 2011 from Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farms Ltd;, and Pass-My-Can Aqua Farms Ltd. to perfect HSBC Bank Canada's fixed security over the aquaculture site of Jervis Island Aqua Farms Ltd. currently under application for lease upon issuance of lease

3. Assignment and Postponement dated November 10, 2011 from Gray Aqua Farms Ltd. to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Gray Aqua Farms Ltd. (NB law)

4. Assignment and Postponement dated November 10, 2011 from Gray's Aqua Management Ltd. to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Gray's Aqua Management Ltd. (NB law)

5. Assignment and Postponement dated November 10, 2011 from Timothy Rhodes Gray to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Robert Frederick Gray (NB law)

6. Assignment and Postponement dated November 10, 2011 from Robert Frederick Gray to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Robert Frederick Gray (NB law)

7. Assignment and Postponement dated November 10, 2011 from Jeffrey Walter Gray to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Jeffrey Walter Gray (NB law)

8. Assignment and Postponement dated November 10, 2011 from 608712 N.B. Limited to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to 608712 N.B. Limited (NB law)

9. Assignment and Postponement dated November 10, 2011 from 608715 N.B. Limited to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to 608715 N.B. Limited (NB law)

10. Assignment and Postponement dated November 10, 2011 from 608716 N.B. Limited to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to 608716 N.B. Limited (NB law)

11. Assignment of Life Insurance Policy dated November 10, 2011 issued by Equitable Life of Canada on the life of Timothy Rhodes Gray in the amount of $750,000.00 by policy number 300116684

12. Assignment of Life Insurance Policy dated November 10, 2011 issued by Equitable Life of Canada on the life of Robert Frederick Gray in the amount of $750,000.00 by policy number 300116691

13. Assignment of Life Insurance Policy dated November 10, 2011 issued by Equitable Life of Canada on the life of Jeffrey Walter Gray in the amount of $750,000.00 by policy number 300116686

14. Agreement Respecting Assignment of Life Insurance Policy from Timothy Rhodes Gray and Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 re assignment of $750,000.00 from Equitable Life of Canada insurance policy number 300116684 in the amount of $2,500,000.00 (NS law)

15. Agreement Respecting Assignment of Life Insurance Policy from Robert Frederick Gray and Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 re assignment of $750,000.00 from Equitable Life of Canada insurance policy number 300116691 in the amount of $2,500,000.00 (NS law)

16. Agreement Respecting Assignment of Life Insurance Policy from Jeffrey Walter Gray and Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 re assignment of $750,000.00 from Equitable Life of Canada insurance policy number 300116686 in the amount of $2,500,000.00 (NS law)

17. Assigned Life Insurance Policies Enquiry Form No. 1 dated November 16, 2011 from HSBC Bank Canada to Equitable Life of Canada re assignment of policy number 300116684 on the life of Timothy Rhodes Gray

18. Assigned Life Insurance Policies Enquiry Form No. 1 dated November 16, 2011 from HSBC Bank Canada to Equitable Life of Canada re assignment of policy number 300116686 on the life of Jeffrey Walter Gray

19. Assigned Life Insurance Policies Enquiry Form No. 1 dated November 16, 2011 from HSBC Bank Canada to Equitable Life of Canada re assignment of policy number 300116691 on the life of Robert Frederick Gray

20. Vessel Mortgage dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada on Vessel "Elizabeth Jane I" having official number 833898 as security for credit facilities in the amount of $24,550,000 (laws of Canada)

21. Vessel Mortgage dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada on Vessel "K.C." having official number 835988 as security for credit facilities in the amount of $24,550,000 (laws of Canada)

22. Vessel Mortgage dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada on Vessel "Dylan B" having official number 821802 as security for credit facilities in the amount of $24,550,000 (laws of Canada)

23. Deed of Covenants dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada pursuant to the Vessel Mortgage on the Vessel "Elizabeth Jane I" (NS and Canadian law)

24. Deed of Covenants dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada pursuant to the Vessel Mortgage on the Vessel "K.C." (NS and Canadian law)

25. Deed of Covenants dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada pursuant to the Vessel Mortgage on the Vessel "Dylan B" (NS and Canadian law)

26. Assignment of Insurance from Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Gray Aqua Group Ltd.

27. Assignment of Insurance from Butter Cove Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Butter Cove Aqua Farms Ltd.

28. Assignment of Insurance from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Goblin Bay Aqua Farms Ltd.

29. Assignment of Insurance from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Jervis Island Aqua Farms Ltd.

30. Assignment of Insurance from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Pass-My-Can Aqua Farms Ltd.

31. Assignment of Insurance from Gray Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Gray Aqua Farms Ltd.

32. Environmental Agreement and Indemnity (Short Form) dated November 10, 2011 from Gray Aqua Group Ltd., Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., and Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada regarding leased NB lands and leased NL land and leased NL aquaculture sites (NS law)

33. Agreement for Foreign Exchange Contracts dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada (ON law)

34. Priority Agreement dated November 10, 2011 between HSBC Bank Canada, Business Development Bank of Canada, Gray Aqua Farms Ltd. and Gray Aqua Group Ltd. pursuant to which parties acknowledge that HSBC shall have priority over inventory and

receivables and often acquired personal property which is purchased using HSBC financing and Business Development Bank to have priority over all other present and after-acquired personal property (NS law)

35. Waiver of Distraint dated November 14, 2011 between Frank Terrance Slipp In Trust for the Estate of Marjorie Ann Slipp and HSBC Bank Canada. Landlord waives its right to distrain against the inventory, other chattels and fixtures of Gray Aqua Farms Ltd. and Gray's Aqua Management Ltd. located on lands located at Northampton, NB identified as PID 10241453 and PID 10241479

36. Unlimited Guarantee from Gray Aqua Farms Ltd. to HSBC Bank Canada of obligations of Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 (NB law)

37. Line of Credit by Way of Current Account Overdraft Agreement dated November 10, 2011 between Gray Aqua Group Ltd. and HSBC Bank Canada having loan limit of $17,500,000 (NS law)

38. Agreement for U.S. Dollar Line of Credit by Way of Account Overdraft dated November 10, 2011 between Gray Aqua Group Ltd. and HSBC Bank Canada having loan limit of $16,666,667.00 U.S.D. (NS law)

39. Depository Bills Agreement dated November 10, 2011 between Gray Aqua Group Ltd. and HSBC Bank

40. Power of Attorney re Depository Bills dated November 10, 2011 from Gray Aqua Group Ltd. in favour of HSBC Bank Canada (NS law)

41. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

42. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Butter Cove Aqua Farms Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

43. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

44. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

45. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada (NS law)

46. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Gray Aqua Farms Ltd. to HSBC Bank Canada (NS law)

47. General Security Agreement dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada (NS law)

48. General Security Agreement dated November 10, 2011 from Gray Aqua Farms Ltd. to HSBC Bank Canada (NB law)

49. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Butter Cove Aqua Farms Ltd. in favour of HSBC Bank Canada (NL law) (assignable by HSBC Bank Canada)

50. General Security Agreement dated November 10, 2011 from Butter Cove Aqua Farms Ltd. to HSBC Bank Canada (NL law)

51. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada (NL law)

52. General Security Agreement dated November 10, 2011 from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada (NL law)

53. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada (NL law)

54. General Security Agreement dated November 10, 2011 from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada (NL law)

55. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada (NL law)

56. General Security Agreement dated November 10, 2011 from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada (NL law)

57. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Butter Cove Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Butter Cove Aqua Farms Ltd. (NL law)

58. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Goblin Bay Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Goblin Bay Aqua Farms Ltd. (NL law)

59. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Jervis Island Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Jervis Island Aqua Farms Ltd. (NL law)

60. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Pass-My-Can Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Pass-My-Can Aqua Farms Ltd. (NL law)

61. General Security Agreement dated November 10, 2011 from Gray's Aqua Management Ltd. to HSBC Canada.

62. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray's Aqua Management Ltd. from Gray Aqua Farms Ltd. to HSBC Bank Canada.

63. Master Equipment Lease dated October 14, 2010 between HSBC Bank Canada and Gray Aqua Farms Ltd./Gray Aqua Group Ltd. for all leases between HSBC Bank Canada and Gray Aqua Farms Ltd./Gray Aqua Group Ltd.

64. Master Equipment Lease dated October 11, 2011 between HSBC Bank Canada and Gray Aqua Group Ltd. for all leases between HSBC Bank Canada and Gray Aqua Group Ltd. (NB or NL law) (assignable by HSBC Bank Canada).

65. Fixed Rate Lease Schedules attached as Schedule "C" and all related Agency Agreements and Bills of Sale Absolute.

SCHEDULE "C"

LEASED EQUIPMENT

See Attached

Fixed Rate Lease Schedules

THIS IS EXHIBIT "Q" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

CALLIDUS CAPITAL CORPORATION
Suite 4320, Royal Trust Tower
77 King Street West
Toronto, Ontario
M5K 1K2
Fax (416) 941-9876

Dated as of December 11, 2013

Gray Aqua Group Limited et. al.,
3801 Route 105
Northampton, NB E7N 1C7

Attention: Timothy Gray

Dear Sir:

Callidus Capital Corporation (the "**Lender**") hereby offers to the Borrower the following credit facilities (collectively, the "**Loan**"), on the following terms and conditions:

1. **BORROWER:**

   Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd. (collectively, the "**Borrower**").

2. **GUARANTOR:**

   Jeffrey Gray, Robert Gray and Timothy Gray (collectively, the "**Guarantor**").

3. **FACILITIES:**

   (a) **Facility A:** Demand revolving loan in the amount of up to Three Million Dollars ($3,000,000) (the "**Facility A Loan**").

   (b) **Facility B:** Demand revolving loan in the amount of up to Twelve Million Dollars ($12,000,000) (the "**Facility B Loan**").

   (c) **Facility C:** Demand non-revolving loan in the amount (the "**Facility C Loan Amount**") of the lesser of Three Million Two Hundred and Fifty Thousand Dollars ($3,250,000) and 50% of the fair market value of the Property each less the amount of all existing prior encumbrances including, without limitation, real property taxes, all as determined by the Lender from time to time in its discretion plus 90% of the forced sale appraised liquidation value of the Borrower's unencumbered machinery, equipment and vessels as determined, from time to time, by an appraiser acceptable to the Lender (the "**Equipment Appraisal**"), including, without limitation, those items listed in Schedule "F" attached hereto (collectively, the "**Equipment**") (the "**Facility C Loan**").

(d) **Facility D:** Demand non-revolving loan in the amount Seven Million Five Hundred Seventy-Four Thousand Nine Hundred and Eleven Dollars and Seventy-Two Cents (the "**Facility D Loan Amount**") ($7,574,911.72) (the "**Facility D Loan**").

Notwithstanding any provision of this Agreement, until such time as the Proposal has been approved by the Court and the creditors, the maximum principal amount that may be outstanding pursuant to the Loan shall be Twenty-Three Million Three Hundred and Fifty Thousand Dollars ($23,350,000).

4. PURPOSE:

The Facility A Loan, Facility B Loan, Facility C Loan and the Facility D Loan shall be used to refinance the existing credit facilities (including, without limitation, equipment leases) of Gray Aqua Group Limited with the Lender as assignee of HSBC Bank Canada and to provide working capital to the Borrower to fund operations. The Borrower acknowledges and agrees that $3,000,000 of the purchase price for the indebtedness owning to HSBC Bank Canada has been deferred and will ultimately be paid through the Loan.

5. DEFINITIONS:

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

(a) "**Additional Closing Documents**" has the meaning attributed thereto in Paragraph 18 of this Agreement.

(b) "**Affiliate**" has the meaning specified in the *Business Corporations Act* (New Brunswick) or equivalent legislation as it may apply to the Borrower or Guarantor, as applicable.

(c) "**Applicable Laws**" means, with respect to any person, property, transaction or event, all present or future statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction, in each case, having the force of law in any applicable jurisdiction.

(d) "**Blocked Account**" has the meaning attributed thereto in Paragraph 19 (a)(iii) of this Agreement.

(e) "**Blocked Account Agreement**" has the meaning attributed thereto in Paragraph 20(b) of this Agreement.

(f) "**Borrowing**" means each use of the Loan and all such usages outstanding at any time are "**Borrowings**".

(g) "**Business Day**" means any day other than a Saturday or a Sunday or any other day on which banks are closed for business in Ontario, New Brunswick or Newfoundland.

(h) "**Collateral**" means all of the Borrower's real and personal property, assets and undertaking.

(i) "**Credit Documents**" means this Agreement, the Security Agreements and all other documents to be executed and delivered to the Lender by the Borrower or any other person in connection with the Loan, as the case may be, as the same have been or may at any time and from time to time hereafter be amended, restated, supplemented, otherwise modified or replaced.

(j) "**Default**" means an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

(k) "**Disbursement Account**" means the account specified in Schedule "A" attached hereto from which the Borrower shall make all of its payments and disbursements.

(l) "**Disclosure Schedule**" means Schedule "B" attached hereto as amended from time to time with the written consent of the Lender.

(m) "**Distribution**" means, in respect of any person, the amount of (i) any dividend or other distribution on issued shares or other equity interests of such person; (ii) the purchase, redemption or retirement amount of any issued shares, warrants or any other options or rights to acquire shares of the person redeemed, retired or purchased by such person; (iii) the payment of any management fees; and (iv) any payment made on, under or in respect of any debt of such person.

(n) "**Eligible Accounts Receivable**" means accounts receivable of the Borrower from arm's length third parties that are unrelated to and unaffiliated with the Borrower and the Guarantors and that:

  (i) arise from actual and *bona fide* sales and delivery of goods or services by the Borrower in the ordinary course of its business;

  (ii) in respect of any individual invoice, are less than ninety days (90) days old from the date of the original invoice;

  (iii) do not have more than fifty percent (50%) of the aggregate amount owing outstanding for longer than ninety (90) days from the date of the original invoice;

  (iv) are not subject to any disputes, contras, set-offs, hold-backs or right of return;

  (v) are net of any reserves as determined by the Lender, in its sole discretion;

(vi) are owing by account debtors located in Canada or the United States of America;

(vii) are complete in all respects and exclude any invoices in respect of goods or services that have not been provided to or received by the customer; and

(viii) are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.

(o) **"Eligible Freshwater Fish Inventory"** means the Borrower's fish inventory located at the Borrower's freshwater facilities that are insured by an insurer and on terms satisfactory to the Lender in its sole discretion and continue to be acceptable to the Lender, in its sole discretion, for margining purposes valued at Standard Cost as determined by the Lender in its sole discretion.

(p) **"Eligible Insured Accounts Receivable"** mean accounts receivable of the Borrower from arm's length third parties that are unrelated to and unaffiliated with the Borrower and the Guarantors and that:

(i) arise from actual and *bona fide* sales and delivery of goods or services by the Borrower in the ordinary course of its business;

(ii) in respect of any individual invoice, are less than one hundred and twenty days (120) days old from the date of the original invoice;

(iii) do not have more than fifty percent (50%) of the aggregate amount owing outstanding for longer than one hundred and twenty (120) days from the date of the original invoice;

(iv) are not subject to any disputes, contras, set-offs, hold-backs or right of return;

(v) are net of any reserves as determined by the Lender, in its sole discretion;

(vi) are complete in all respects and exclude any invoices in respect of goods or services that have not been provided to or received by the customer;

(vii) the payment of which has been insured by an insurer acceptable to the Lender in its sole discretion and on terms acceptable to the Lender in its sole discretion ("**A/R Insurance**");

(viii) are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.

(q) **"Eligible Investment Grade Accounts Receivable"** mean accounts receivable of the Borrower from arm's length third parties that are unrelated to and unaffiliated with the Borrower and the Guarantors and that:

(i) have a minimum rating of BBB by a rating agency acceptable to the Lender in its sole discretion;

(ii) arise from actual and *bona fide* sales and delivery of goods or services by the Borrower in the ordinary course of its business;

(iii) in respect of any individual invoice, are less than one hundred and twenty days (120) days old from the date of the original invoice;

(iv) do not have more than fifty percent (50%) of the aggregate amount owing outstanding for longer than one hundred and twenty (120) days from the date of the original invoice;

(v) are not subject to any disputes, contras, set-offs, hold-backs or right of return;

(vi) are net of any reserves as determined by the Lender, in its sole discretion;

(vii) are owing by account debtors located in Canada or the United States of America;

(viii) are complete in all respects and exclude any invoices in respect of goods that have not been shipped or received by the customer; and

(ix) are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.

(r) **"Eligible Market Size Saltwater Fish Inventory"** means the Borrower's fish inventory greater than or equal to five pounds located at the Borrower's saltwater facilities that are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes valued at Standard Cost as determined by the Lender in its sole discretion.

(s) **"Eligible Non-Market Size Saltwater Fish Inventory"** means the Borrower's fish inventory less than five pounds located at the Borrower's saltwater facilities that are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes at Standard Cost as determined by the Lender in its sole discretion.

(t) **"Encumbrances"** means any mortgage, lien, pledge, assignment, charge, security interest, title retention agreement or arrangement, prior claim, hypothec, levy, execution, seizure, attachment, garnishment, right of distress, prior claims, restrictive covenant or other encumbrance of any nature or any other arrangements or condition that in substance secures payment or performance of an obligation, or other claim in respect of property of any nature or kind whatsoever howsoever arising (whether consensual, statutory or arising by operation of law or otherwise) and includes arrangements known as sale and lease-back, sale and buy-back and sale with option to buy-back or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA (or equivalent statute) of any jurisdiction.

(u) "ET" means eastern daylight savings or standard time, as the case may be.

(v) "**Event of Default**" has the meaning attributed thereto in Paragraph 27 of this Agreement.

(w) "**Facility A Loan**" has the meaning attributed thereto in Paragraph 3(a) of this Agreement.

(x) "**Facility B Loan**" has the meaning attributed thereto in Paragraph 3(b) of this Agreement.

(y) "**Facility C Loan**" has the meaning attributed thereto in Paragraph 3(c) of this Agreement.

(z) "**Facility D Loan**" has the meaning attributed thereto in Paragraph 3(d) of this Agreement.

(aa) "**Facility A Loan Availability**" has the meaning attributed thereto in Paragraph 6 of this Agreement.

(bb) "**Facility B Loan Availability**" has the meaning attributed thereto in Paragraph 8 of this Agreement.

(cc) "**GAAP**" means generally accepted accounting principles in effect from time to time in Canada applied in a consistent manner from period to period.

(dd) "**Guarantors**" means collectively Jeffrey Gray, Robert Gray and Timothy Gray and any other person who, from time to time, guarantees to the Lender the payment or performance of any of the Borrower's obligations to the Lender and "**Guarantor**" means any one of them.

(ee) "**Governmental Entity**" means any (i) multinational, federal, provincial, state, municipal, local or other government, governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any crown corporation incorporated by the foregoing; (iii) any subdivision or authority of any of the foregoing; or (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.

(ff) "**Indemnified Person**" has the meaning attributed thereto in Paragraph 26(b) of this Agreement.

(gg) "**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

(hh) **"Material Adverse Change"** means any change, condition or event which, when considered individually or together with other changes, conditions, events or occurrences could reasonably be expected to have a Material Adverse Effect.

(ii) **"Material Adverse Effect"** means a material adverse effect on (i) the business, revenues, operations, assets, liabilities (contingent or otherwise), financial condition or prospects of the Borrower; (ii) on the rights and remedies of the Lender under the Credit Documents; (iii) on the ability of the Borrower to perform its obligations under the Credit Documents; or (iv) on the Liens created by the Security Agreements.

(jj) **"New Brunswick Guarantee"** means a loan loss guarantee in favour of and on terms satisfactory to the Lender in its sole discretion to be obtained from the Province of New Brunswick in support of the Facility A Loan;

(kk) **"Permitted Encumbrances"** means, without Lender having or being deemed to have acknowledged, acquiesced or agreed to the quantum secured by such Encumbrances or to the priority, enforceability, or validity of such Encumbrances:

(i) any "purchase money security interests" in respect of equipment (as defined in the PPSA) used by the Borrower in the operation of its business and which is not for resale, lease or rental to its customers which is assumed, created or reserved to secure the unpaid purchase price of such equipment after the date hereof provided that any such Encumbrance is limited to the equipment so acquired;

(ii) PPSA registrations listed in Schedule "C" attached hereto;

(iii) any Statutory Encumbrances;

(iv) undetermined or inchoate Liens arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Laws or of which written notice has not been duly given in accordance with Applicable Law or which, although filed or registered, relate to obligations not due or delinquent;

(v) restrictions, easements, rights-of-way, restrictive covenants, licenses, servitudes, watercourse, right of way, right of access or user or other similar rights in land (including, without restriction, rights of way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved by other Persons and rights reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit to terminate or to require annual payments as a condition to the continuance thereof, which do not, either individually or in the aggregate, materially impair the value, use, development, management, ownership or operation of the property subject thereto and do not materially adversely affect the marketability of such property;

(vi) the rights reserved to or vested in municipalities or governmental or other public authorities or agencies by statutory provisions or by the terms of leases, licenses, franchises, grants or permits, to terminate the leases, licenses, franchises, grants or permits or to require annual or other periodic payments as a condition of the continuance thereof, but only to the extent that same does not in the aggregate materially impair the value, use, development, management, ownership or operation of the property subject thereto and do not materially adversely affect the marketability of the such property;

(vii) reservations in any original grants from the Crown of any land or interest therein, statutory exceptions to title, and reservations of minerals right (including coal, oil and natural gas) in any grants from the Crown or from any other predecessors in title;

(viii) securities given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the development, management, ownership and operation of property;

(ix) Liens on deposits in connection with bids, tenders and contracts (excluding those relating to the borrowing of money or the repayment of borrowed money) or to secure workers' compensation, unemployment insurance or other similar statutory assessments, or to secure costs of litigation when required by law, and surety or appeal bonds or deposits;

(x) zoning, use and building by laws and ordinances, federal, provincial or municipal by-laws and regulations and other governmental restrictions as to the use of property;

(xi) subdivision agreements, site plan control agreements, servicing agreements and other similar agreements with municipalities affecting the development or use of the real property which do not, either individually or in the aggregate, materially impair the value, use, development, management, ownership or operation of the property subject thereto and do not materially adversely affect the marketability of such property;

(xii) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the value, use or marketability of the property for the purposes for which it is held;

(xiii) Liens that are contractual rights of set-off relating to the establishment of depository relations with banks not given in connection with the issuance of indebtedness; and

(xiv) any other Lien permitted under the terms of the Loan Documents or otherwise consented to, in writing, by the Lender.

(ll) "**person**" includes a natural person, a partnership, a joint venture, a trust, a fund, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

(mm) "**PPSA**" means the *Personal Property Security Act* as in effect from time to time in the Provinces of New Brunswick and Newfoundland or equivalent legislation as it may apply to the Borrower, as applicable.

(nn) "**Priority Claims**" means the aggregate of any amounts accrued or payable by the Borrower which under any law may rank prior to or *pari passu* with any of the Security Agreements or otherwise in priority to any claim by the Lender for payment or repayment of any amounts owing under this Agreement, including: (i) wages, salaries, commissions or other remuneration; (ii) vacation pay; (iii) pension plan contributions; (iv) amounts required to be withheld from payments to employees or other persons for federal and provincial income taxes, employee Canadian Pension Plan contributions and employee Employment Insurance premiums, additional amounts payable on account of employer Canada Pension Plan contributions and employee Employment Insurance premiums; (v) federal goods and services and/or harmonized sales tax; (vi) provincial sales or other consumption taxes; (vii) Workers' Compensation Board and Workplace Safety and Insurance Board and occupational health and safety plan premiums or similar premiums; (viii) amounts payable for repair, storage, transportation or construction or other services which may give rise to a possessory or registerable lien; (ix) lienable payables including fisherman's or similar liens; (x) prior claims under the PPSA; (xi) claims which suppliers could assert pursuant to Section 81.1 or Section 81.2 of the *Bankruptcy and Insolvency Act* (Canada); and (xii) WEPPA Claims.

(oo) "**Property**" means the water lots at Butter Cove, Bay d'Espoir, NL, Goblin Bay, Bay d'Espoir, NL, Great Jervis Island, Bay d'Espoir, NL and Pass-My-Can, Bay d'Espoir, NL.

(pp) "**Proposal**" has the meaning attributed thereto in Paragraph 19(a)(xii) of this Agreement.

(qq) "**related person**" has the meaning attributed thereto in Paragraph 20(c) of this Agreement.

(rr) "**Repayment Date**" has the meaning attributed thereto in Paragraph 12 of this Agreement.

(ss) "**Report Day**" has the meaning attributed thereto in Paragraphs 6 and 8 of this Agreement.

(tt) "**Security Agreements**" means, collectively, the agreements referred to in Paragraph 18(a) to 18(k) and any other security granted to the Lender, as security for the obligations of the Borrower under this Agreement and the other Credit Documents, as the same have been or may at any time and from time to time hereafter be amended, restated, supplemented, otherwise modified or replaced.

(uu) **"Standard Cost"** means the Borrower's standard manufacturing costs that are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.

(vv) **"Statutory Encumbrances"** means any Encumbrances arising by operation of Applicable Laws, including, without limitation, for carriers, warehousemen, repairers', taxes, assessments, statutory obligations and government charges and levies for amounts not yet due and payable or which may be past due but which are being contested in good faith by appropriate proceedings (and as to which there are no other enforcement proceedings or they shall have been effectively stayed).

(ww) **"TD"** means The Toronto-Dominion Bank.

(xx) **"Term of this Agreement"** means the period from and including the date on which this Agreement is executed to and including the date on which all amounts owing by the Borrower to the Lender hereunder have been paid in full and the Lender has no further obligations hereunder.

(yy) **"Weekly Borrowing Base Report"** has the meaning attributed thereto in Paragraph 6 of this Agreement.

(zz) **"WEPPA Claims"** means any claims made against the Borrower pursuant to the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1, as the same may be amended, restated or replaced from time to time.

Words importing the singular include the plural thereof and vice versa and words importing gender include the masculine, feminine and neuter genders.

6. FACILITY A LOAN AVAILABILITY:

The maximum amount that shall be available under the Facility A Loan at any time and from time to time will, subject to the maximum amount contemplated in Paragraph 7(c) of this Agreement, be determined by the Lender once each week (or more frequently as determined by the Lender) and will be limited during such week (or other period as aforesaid) in accordance with the following formula (the **"Facility A Loan Availability"**):

Seventy-six point five percent (76.5%) of the Borrower's Eligible Freshwater Fish Inventory;

LESS the aggregate of:

(a) the amount of the Facility A Loan then outstanding, together with all other amounts owing by the Borrower to the Lender under this Agreement but excluding any principal amount outstanding but not yet payable in respect of the Facility B Loan, the Facility C Loan and the Facility D Loan (including, without limitation, interest owing on the amount of the Loan then outstanding);

(b) reserves, determined by the Lender in its sole discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances; and

(c) any other reserves, determined by the Lender in its sole discretion.

On a Business Day in each week as determined by the Lender (the "**Report Day**"), prior to 1:00 p.m. ET, the Borrower will provide a report (a "**Weekly Borrowing Base Report**") to the Lender (in such form as the Lender shall reasonably require) providing, as at the end of the preceding week, a trial balance, a listing of all of the Borrower's accounts receivable, accounts payable, inventory, details of any then existing or potential Priority Claims, the amount of the requested Facility A Loan and Facility B Loan advance to be made hereunder for the week, and any other information that may be reasonably required by the Lender. The Lender shall, upon receipt of such report, calculate the then existing Facility A Loan Availability and Facility B Loan Availability and advise the Borrower accordingly.

7. ADVANCES OF FACILITY A LOAN:

(a) Facility A Loan advances to be made hereunder shall be the lesser of the Borrower's requested advance in its Weekly Borrowing Base Report and the then Facility A Loan Availability and will, less any amounts to be deducted therefrom as provided for hereunder, be deposited into the Borrower's Disbursement Account.

(b) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 19 of this Agreement have been satisfied, Facility A Loan advances to be made hereunder shall, provided that the request for such advance is contained in a Weekly Borrowing Base Report and that such Weekly Borrowing Base Report is received by the Lender prior to 1:00 p.m. ET on the Report Day, be made no later than the close of business on the next Business Day.

(c) Notwithstanding anything to the contrary contained in this Agreement, Facility A Loan advances shall be made by the Lender only to the extent of the then Facility A Loan Availability as calculated by the Lender, in its sole discretion, and, further, subject to an aggregate maximum to be advanced under this Paragraph 7 by the Lender of Three Million Dollars ($3,000,000) (including accrued and unpaid interest owing on the amount of the Loan then outstanding, unpaid fees and expenses and all other amounts owing by the Borrower to the Lender under this Agreement but excluding any principal amount outstanding but not yet payable in respect of the Facility B Loan, the Facility C Loan and the Facility D Loan.

8. FACILITY B LOAN AVAILABILITY:

The maximum amount that shall be available under the Facility B Loan at any time and from time to time will, subject to the maximum amount contemplated in Paragraph 9(c) of this Agreement, be determined by the Lender from time to time in accordance with the following formula (the "**Facility B Loan Availability**"):

the aggregate of:

(a) ninety percent (90%) of Eligible Insured Accounts Receivable as reflected in its then current Weekly Borrowing Base Report; and

(b) ninety percent (90%) of Eligible Investment Grade Accounts Receivable as reflected in its then current Weekly Borrowing Base Report; and

(c) eighty-five percent (85%) of Eligible Accounts Receivable as reflected in its then current Weekly Borrowing Base Report;

(d) forty percent (40%) of Eligible Non-Market Size Saltwater Fish Inventory as reflected in its then current Weekly Borrowing Base Report; and

(e) seventy-six point five percent (76.5%) of the Eligible Market Size Saltwater Fish Inventory as reflected in its then current Weekly Borrowing Base Report;

LESS the aggregate of:

(f) the amount of the Facility B Loan then outstanding, together with all other amounts owing by the Borrower to the Lender under this Agreement but excluding any principal amount outstanding but not yet payable in respect of the Facility A Loan, the Facility C Loan and the Facility D Loan (including, without limitation, interest owing on the amount of the Loan then outstanding);

(g) reserves, determined by the Lender in its sole discretion, in respect of actual and/or potential Priority Claims and/or Statutory Encumbrances; and

(h) any other reserves, determined by the Lender in its sole discretion.

9. **ADVANCES OF FACILITY B LOAN:**

(a) Facility B Loan advances to be made hereunder shall be the lesser of the Borrower's requested advance in its Weekly Borrowing Base Report and the then Facility B Loan Availability and will, less any amounts to be deducted therefrom as provided for hereunder, be deposited into the Borrower's Disbursement Account.

(b) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 19 of this Agreement have been satisfied, Facility B Loan advances to be made hereunder shall, provided that the request for such advance is contained in a Weekly Borrowing Base Report and that such Weekly Borrowing Base Report is received by the Lender prior to 1:00 p.m. ET on the Report Day, be made no later than the close of business on the next Business Day.

(c) Notwithstanding anything to the contrary contained in this Agreement, Facility B Loan advances shall be made by the Lender only to the extent of the then Facility B Loan Availability as calculated by the Lender, in its sole discretion, and, further, subject to an aggregate maximum to be advanced under this Paragraph 9 by the Lender of Twelve Million Dollars ($12,000,000) (including accrued and unpaid interest owing on the amount of the Loan then outstanding, unpaid fees and expenses and all other amounts owing by the Borrower to the Lender under this Agreement but excluding any principal amount outstanding but not yet payable in respect of the Facility A Loan, the Facility C Loan and the Facility D Loan.

10. FACILITY C LOAN AVAILABILITY AND FACILITY D LOAN AVAILABILITY:

(a) The maximum amount that shall be available under the Facility C Loan shall be an amount equal to the lesser of:

(i) Three Million Two Hundred and Fifty Thousand Dollars ($3,250,000); and

(ii) 50% of the fair market value of the Property less the amount of all existing prior encumbrances including, without limitation, real property taxes, all as determined by the Lender from time to time in its discretion plus 90% of the Equipment Appraisal.

Notwithstanding any provision of this Agreement, until such time as the Lender is satisfied of its first priority charge in respect of the Equipment and is in receipt of a satisfactory Equipment Appraisal and a satisfactory appraisal in respect of the Property, the Lender shall withhold $2,250,000 from the Facility C Loan Advance which amount shall bear interest in accordance with the terms hereof.

(b) The maximum amount that shall be available under the Facility D Loan at any time is Seven Million Five Hundred Seventy-Four Thousand Nine Hundred and Eleven Dollars and Seventy-Two Cents ($7,574,911.72).

11. ADVANCES OF FACILITY C LOAN AND FACILITY D LOAN:

(a) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 19 of this Agreement have been satisfied, the Lender shall, upon the execution of this Agreement, advance to the Borrower as a Facility C Loan advance by way of one advance in the aggregate amount of the Facility C Loan amount.

(b) Provided that no Default or Event of Default has occurred and is continuing, and that at the time the advance is to be made the conditions contained in Paragraph 19 of this Agreement have been satisfied, the Lender shall, upon the execution of this Agreement, advance to the Borrower as a Facility D Loan advance by way of one advance in the aggregate amount of the Facility D Loan amount to be applied by the Lender to refinance the balance of the existing indebtedness of the Borrower to HSBC Bank Canada, as assigned to the Lender.

12. TERM:

The Loan (together with all accrued interest and all other amounts payable hereunder) shall be repaid in full (and any obligation of the Lender to make advances hereunder shall be permanently cancelled) on demand. If demand has not previously been made by the Lender, the Loan (together with all accrued interest and all other amounts payable hereunder) shall be repaid (and any obligation of the Lender to make advances hereunder shall be permanently cancelled) in full upon the earlier of:

(a) September 15, 2014 (the "**Repayment Date**"); or

(b) the occurrence of an Event of Default which is continuing and has not been waived.

13. INTEREST RATE:

(a) The Borrower shall pay to the Lender interest on the outstanding principal amount of the Loan at the applicable interest rate set out in this Paragraph 13.

(b) Interest on the principal amount of the Loan, excluding the Facility D Loan, outstanding from time to time shall be calculated at a rate of eighteen percent (18%) per annum, payable on the last day of each month, which interest shall be calculated daily on the daily closing principal balance owing hereunder in respect of the Loan not in advance, and shall be payable both before and after default and/or judgment as well after as before maturity. Interest calculated as aforesaid shall be payable monthly, on the last Business Day of each month until the full amount outstanding hereunder on account of the Loan, excluding the Facility D Loan, have been paid. The first payment of interest hereunder shall be payable on the last Business Day of the month in which the first advance of the Loan occurs computed from the date of such advance.

(c) The Facility D Loan shall be non-interest bearing.

(d) Interest on overdue interest payable in respect of the Loan, excluding the Facility D Loan, shall be calculated at the rate of twenty-one percent (21%) per annum, shall be compounded monthly and shall be payable on demand.

(e) Any unpaid costs and expenses and other fees and charges contemplated herein which are not paid when due hereunder shall bear interest calculated at the rate of twenty-one percent (21%) per annum, which interest shall be payable on demand.

(f) All rates of interest accruing hereunder on all amounts outstanding from and after the first to occur of an Event of Default, the Repayment Date, or demand being made by the Lender, shall be increased by three percent (3%) per annum calculated as aforesaid.

(g) A certificate of an authorized signing officer of the Lender as to each amount and/or each rate of interest payable hereunder from time to time shall be conclusive evidence of such amount and of such rate, absent manifest error.

(h) For the purposes of disclosure under the *Interest Act* (Canada), where in this Agreement or in any Security Agreement an annual rate of interest is to be calculated during a leap year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by 366 and divided by 365.

(i) For greater certainty, whenever any amount is payable under any Credit Document as interest or as a fee which requires the calculation of an amount using a percentage per annum, each party to this Agreement acknowledges and agrees that such amount shall be calculated as of the date payment is due without application of the "deemed reinvestment principle" or the "effective yield method".

(j) Notwithstanding any provision to the contrary contained in this Agreement, in no event will the aggregate "interest" (as defined in section 347 of the Criminal Code (Canada)) payable hereunder exceed the effective annual rate of interest on the "credit advanced" (as defined in that section) under this Agreement lawfully permitted under that section and, if any payment, collection or demand pursuant to this Agreement in respect of "interest" (as defined in that section) is determined to be contrary to the provisions of that section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Borrower and the Lender and the amount of such payment or collection will be refunded to the Borrower; for the purposes of this Agreement, the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of the Loan on the basis of monthly compounding of the lawfully permitted rate of interest and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender will be conclusive for the purposes of such determination.

14. PRINCIPAL PAYMENTS ON ACCOUNT OF THE FACILITY C LOAN AND THE FACILITY D LOAN:

(a) Commencing August, 2014, the Lender shall require principal repayments in respect of the Facility C Loan in an amount to be determined in its sole discretion.

(b) At any time and from time to time, upon notice from the Lender on or after receipt by the Lender of any updated Equipment Appraisal, the Borrower shall also make a payment of principal in an amount equal to the difference, if any, by which ninety percent (90%) of the updated Equipment Appraisal is less than the Facility C Loan amount then outstanding (principal and accrued and unpaid interest) plus fifty (50%) of the fair market value of the Property to be applied against the Facility C Loan.

(c) Upon the sale of any Equipment, if permitted by the Lender in its sole discretion, included in the Equipment Appraisal, the Borrower shall also make a payment of principal equal to ninety percent (90%) of the amount of the Equipment Appraisal attributable to such Equipment to be applied against the Facility C Loan.

(d) In the event of a decrease in the fair market value of the Property as determined by the Lender in its sole discretion, the Borrower shall also make a payment of principal in an amount equal to the difference, if any, by which fifty percent (50%) of the fair market value of the Property is less than the Facility C Loan amount then outstanding (principal and accrued and unpaid interest) plus (90%) of the Equipment Appraisal to be applied against the Facility C Loan.

(e) Until the earliest of: (a) demand; (b) an Event of Default; and (c) the Repayment Date, no principal payments shall be required in respect of the Facility D Loan. In the event that the Facility A Loan, the Facility B Loan and the Facility C Loan have been indefeasibly repaid in full prior to demand, an Event of Default and the Repayment Date and subject to indefeasible payment of the Facility Fee (as defined below), the Lender shall forgive the Facility D Loan.

15. PREPAYMENT:

If the Loan is prepaid prior to September 15, 2014, a prepayment fee equal to two percent (2%) of the original authorized amount on the Loan, excluding only the Facility D Loan, will be payable.

16. FACILITY FEE:

The Borrower shall pay a non-refundable facility fee equal to one percent (1%) of the original authorized amount of the Loan, excluding only the Facility D Loan, plus twenty percent (20%) of the original authorized amount of the Facility D Loan, plus an amount equal to the amount of the fee for the New Brunswick Guarantee (the "**Facility Fee**") to be paid at the earliest of September 15, 2014; the prepayment of the Loan; and the occurrence of a Default. For greater certainty, the full amount of the facility fee is earned effective the date hereof.

17. MAINTENANCE AND MONITORING FEE AND UNUSED LINE FEE:

(a) The Borrower shall pay a maintenance and monitoring fee in the amount of Three Thousand Five Hundred Dollars ($3,500) for each month the Loan is outstanding. The aforesaid fee shall be paid monthly on the last day of each month during which such fee is payable, as provided for herein, and, without duplication, upon repayment of the Loan and permanent cancellation of any obligation of the Lender to make advances hereunder in respect of the final month in question.

(b) The Borrower shall pay an unused line fee for each day of the Term of this Agreement in an amount equal to (i) the maximum amount of the Facility A Loan less the amount outstanding for such day in respect of the Facility A Loan, plus (ii) the maximum amount of the Facility B Loan less the amount outstanding for such day in respect of the Facility B Loan, multiplied by 1.0% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the unused line fee is payable. The unused line fee for each month (except for the month in which the Repayment Date occurs) is payable in arrears on the last day of each calendar month following the initial advance of the Facility A Loan; the final monthly installment of the unused line fee is payable on the Repayment Date. Notwithstanding the foregoing, any unpaid unused line fee is immediately due and payable on the date that the Loan is indefeasibly repaid in full.

18. SECURITY:

The Loan shall be evidenced or secured by the following documents, made by the Borrower, which shall be provided contemporaneously with the execution of this Agreement, shall be in form and substance satisfactory to the Lender and shall be supported by all necessary resolutions and opinions (each in form and substance satisfactory to the Lender and the Lender's counsel):

(a) promissory notes in respect of the Facility A Loan, the Facility B Loan, the Facility C Loan and the Facility D Loan;

(b) the security listed in Schedule G attached hereto in favour of the Lender as assignee of HSBC Bank Canada;

(c) a first ranking security interest in all of the personal property assets of the Borrower to the extent not obtained in Section 18(b) subject only to the priority of equipment lessors and Business Development Bank of Canada on specific equipment as approved by the Lender in writing or otherwise approved by the Lender in writing;

(d) joint and several unlimited guarantees from Jeffrey Gray, Robert Gray and Timothy Gray;

(e) a share pledge granted by each of Jeffrey Gray, Robert Gray and Timothy Gray with respect to shares in the capital of Gray Aqua Group Ltd. and share transfer powers of attorney and share certificates executed in blank;

(f) a share pledge granted by each of 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd. and Kim Morrison with respect to shares in the capital of Gray Aqua Farms Ltd. and share transfer powers of attorney and share certificates executed in blank;

(g) a share pledge granted by each of Jeffrey Gray, Robert Gray and Timothy Gray with respect to shares in the capital of Gray's Aqua Management Ltd. and share transfer powers of attorney and share certificates executed in blank;

(h) a share pledge granted by each of 608715 NB Limited., 608716 NB Limited. and M. Gray Holdings Ltd. with respect to shares in the capital of Gray Aqua Processing Limited and share transfer powers of attorney and share certificates executed in blank;

(i) a New Brunswick Guarantee;

(j) an assignment of the A/R Insurance; and

(k) a certificate of insurance from the Borrower, covering fire and such other risks (including without limitation, hatchery stock insurance and public liability insurance) and in such form and amount as the Lender may require in respect of all of the Collateral and in respect of which the Lender is shown as a first loss payee.

In addition, the Borrower shall provide the Lender with the following (the "**Additional Closing Documents**"), in form and substance satisfactory to the Lender:

(a) such officer's certificates with respect to the Borrower and such legal opinions and other supporting documents as the Lender shall require;

(b) acknowledgements by such of the landlords of the Borrower and their mortgagees as may be designated by the Lender from time to time of the Lender's security interest in the assets of the Borrower and agreements permitting the Lender access to, and a right to remain on, the premises in question to exercise its rights and remedies and otherwise deal with the Borrower's assets; and

(c) acknowledgements by such of the third party warehousemen, if any, of the Borrower as may be designated by the Lender from time to time of the Lender's security interest in the assets of the Borrower, waivers by such warehousemen of any Liens or other claims by such persons to the Borrower's assets and agreements permitting the Lender access to, and a right to remain on, the premises in question to exercise its rights and remedies and otherwise deal with the Borrower's assets.

The Borrower will from time to time at its expense duly authorize, execute and deliver to the Lender such further instruments and documents and take such further action as the Lender may reasonably request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Lender by the Security Agreements and of the rights and remedies therein granted to the Lender, including without limitation, the filing of financing statements or other documents under any Applicable Law with respect to the Liens created thereby. Unless prohibited by Applicable Law, the Borrower authorizes the Lender to file any such financing statement or similar documents without the signature of the Borrower.

The Borrower acknowledges that changes to Applicable Law may require the execution and delivery of different forms of documentation, and accordingly the Lender shall have the right to require that the Security Agreements be amended, supplemented or replaced (and the Borrower shall duly authorize, execute and deliver to the Lender on request any such amendment, supplement or replacement with respect to any of the Security Agreements to which the Borrower is a party): (i) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise; or (ii) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

19. CONDITIONS:

(a) Each of the following is a condition precedent to the initial Borrowing hereunder:

(i) The Lender shall have received from all of the secured creditors who have registered against the Borrower pursuant to the PPSA or equivalent legislation, as applicable, and who are listed in Schedule "D" hereto, full and final releases and discharges of such security and such registrations;

(ii) Each of Gray Aqua Group Limited and Gray Aqua Farms Ltd. shall have opened a CDN$ blocked account (the "**Blocked Account**") at TD and shall have entered into a blocked account agreement in accordance with Paragraph 20 of this Agreement with respect to such account;

(iii) The Security Agreements shall have been duly executed and delivered and, where required, registered save and except for the New Brunswick Guarantee which shall be a condition precedent only to the Facility A Loan;

(iv) The Lender shall have received the Additional Closing Documents required by the Lender for closing;

(v) At or prior to the time the advance in question is to be made, no Default or Event of Default shall have occurred and be continuing;

(vi) The Lender shall have completed all of its due diligence investigations and shall, in its sole discretion, be satisfied with the results of same;

(vii) The Lender shall have received evidence satisfactory to it that all insurance coverage contemplated in this Agreement is then in place including, without limitation, crop, accounts receivable and property insurance;

(viii) The Lender shall have received payment of all fees (including all legal fees of the Lender), expenses and other amounts then payable under the Credit Documents;

(ix) The Lender shall have received and shall, in its sole discretion, be satisfied with the Borrower's internally prepared financial statements as at November 30, 2013;

(x) There shall not have occurred or become known any Material Adverse Change or any condition or event that could reasonably be expected to result in a Material Adverse Change, in each case, since August 21, 2013;

(xi) No other event shall have occurred that, in the Lender's sole discretion, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower, or (ii) the value of the Collateral which is the subject matter of the Security Agreements; and

(xii) With respect to the above of the Facilities, the Lender shall have received and shall, in its sole discretion, be satisfied with the Borrower's financial projections.

(b) Each of the following is a condition precedent to any subsequent advance to be made hereunder:

(i) All of the conditions contained in Paragraph 19(a) shall have been satisfied and shall as at the time of the making of the subsequent advance in question continue to be satisfied;

(ii) All of the representations and warranties of the Borrower herein are true and correct on and as of such date as though made on and as of such date other than those representations and warranties which relate to a specific date which shall continue to be true as of such date;

(iii) No event or condition has occurred and is continuing, or would result from such Borrowing, which constitutes or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of this Agreement or of any Credit Document;

(iv) Such Borrowing will not violate any Applicable Law then in effect;

(v) No Default or Event of Default shall have occurred and be continuing; and

(vi) No other event shall have occurred that, in the Lender's sole discretion, acting reasonably, materially adversely affects or could materially adversely affect either: (i) the business, assets, liabilities, prospects, financial condition or operations of the Borrower, or (ii) the value of the Collateral.

(c) The making of Borrowings hereunder, without the fulfillment of one or more conditions set forth in Paragraphs 19(a) or 19(b), shall not constitute a waiver of any such condition, and the Lender reserves the right to require fulfillment of such condition in connection with any subsequent Borrowing.

20. CASH MANAGEMENT SYSTEMS:

(a) Each of Gray Aqua Group Limited and Gray Aqua Farms Ltd. shall establish and shall continue to maintain, at its expense, the Blocked Account at TD into which the Borrower shall promptly deposit all funds received from all sources including, without limitation, all account receivable payments, cash sales receipts, credit card payments, any and all refunds received from any source whatsoever and any proceeds of any advances or other loans made to it and shall direct its account debtors that remit payments by electronic funds transfers to directly remit all payments into the Blocked Account.

(b) TD and each of Gray Aqua Group Limited and Gray Aqua Farms Ltd. shall enter into an agreement (**"Blocked Account Agreement"**), in form and substance satisfactory to the Lender, acting reasonably, providing that all items received or deposited in the Blocked Account are the property of the Lender, that TD has no Lien upon, or right to setoff against, the Blocked Account, the items received for deposit therein, except as may be specifically agreed to, in writing, by the Lender, or the funds from time to time on deposit therein and that TD will wire, or otherwise transfer, in immediately available funds, on a daily basis, all funds received or deposited into the Blocked Account to the Lender's account, as the Lender may from time to time designate for such purpose.

(c) The Borrower and all of its affiliates, subsidiaries, officers, employees, agents, directors or other persons (a "**related person**") shall, acting as trustee for the Lender, receive, as the property of the Lender, any monies, cheques, notes, drafts or any other payment which comes into the possession or under the control of the Borrower or, in the case of any related person, comes into its possession or under its control and is rightfully that of the Borrower, and immediately upon receipt thereof where received by the Borrower or upon becoming aware of the receipt thereof where received by a related person, the Borrower shall deposit or shall cause the same to be deposited in the Blocked Account, or remit the same or cause the same to be remitted, in kind, to the Lender. In no event shall the same be commingled with any of the Borrower's own funds. The Borrower agrees to reimburse the Lender on demand for any amounts owed or paid to TD regarding the Blocked Account or any other bank or person involved in the transfer of funds to or from such Blocked Account arising out of the Lender's payments to or indemnification of such bank or person.

(d) The Lender shall apply amounts received from the Blocked Account to the Loan.

(e) Gray Aqua Group Limited and Gray Aqua Farms Ltd. shall make all of its payments and disbursements only from its Disbursement Account.

21. BORROWERS' REPRESENTATIONS:

The Borrower represents and warrants, which representations and warranties are deemed to be repeated at the time of each advance hereunder as though made at such time, as follows:

(a) Each of Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited and 608716 NB Limited is a corporation existing under the laws of the Province of New Brunswick.

(b) Each of Gray Aqua Group Limited, Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd. and M. Gray Holdings Ltd. is a corporation existing under the laws of the Province of Newfoundland and Labrador.

(c) The Borrower has all necessary corporate power and authority to own or lease its property and assets and to carry on its business as now being conducted by it, and to authorize, create, execute, deliver and perform all of its obligations under the Credit Documents in accordance with its respective terms;

(d) The Credit Documents have been duly authorized, executed and delivered by the Borrower and constitute legal, valid and binding obligations of it enforceable against it in accordance with their respective terms;

(e) The financing transactions hereunder (i) do not require any material consent or approval of, registration or filing with, or any other action by, any Governmental Entity, except such as have been obtained or made and are in full force and effect, (ii) will not violate in any material respect any Applicable Law applicable to the Borrower and the Guarantor and will not violate the charter, by-laws or other organizational or constitutional documents of Borrower or any order of any Governmental Entity, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower and the Guarantor or their assets, or give rise to a right thereunder to require any payment to be made by the Borrower and the Guarantor, and (iv) will not result in the creation or imposition of any lien on any asset of the Borrower and the Guarantor (other than Permitted Encumbrances);

(f) The Borrower owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Borrower does not infringe upon the rights of any other person;

(g) The Borrower maintains, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar business operating in the same or similar locations;

(h) Except as disclosed to the Lender in writing, the Borrower is not in default under any of their respective obligations and there are no actions, suits or proceedings, pending or threatened, against or affecting any of them;

(i) The Borrower is in compliance with all laws, regulations and orders of any Governmental Entity applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property;

(j) The Borrower has good title to its property, free and clear of all Encumbrances other than Permitted Encumbrances;

(k) The Borrower possesses all licenses and permits necessary to properly conduct its business. Each such license and permit is (i) in full force and effect; and (ii) not subject to any dispute. No event has occurred which, with the giving of notice, lapse of time or both, would constitute a default under, or in respect of, any such license or permit;

(l) The Disclosure Schedule sets forth the commitments to any lender (other than the Lender) for all debt for borrowed money, and all debt for borrowed money outstanding, of the Borrower;

(m) The Borrower is not aware of any facts or circumstances which would have an adverse impact on the value of the Collateral. The provisions of this Agreement and the other Credit Documents create legal and valid Liens on all the Collateral in favor of the Lender, and such Liens constitute perfected and continuing Liens on the Collateral and have priority over all other Liens on the Collateral except for Permitted Encumbrances;

(n) As of the date hereof, both before and after giving effect to (a) the financing transactions to be consummated on the date hereof and (b) the payment and accrual of all fees, costs and expenses in connection therewith, each of the Borrower and the Guarantor is and will be solvent;

(o) As of the date hereof, adequate provision has been made for the payment of all Priority Claims and potential Priority Claims, whether or not payable and whether or not disputed; and

(p) All information furnished by or on behalf of the Borrower and the Guarantor in writing to the Lender in connection with this Agreement or any transaction contemplated hereby, is true and correct and does not omit any fact necessary in order to make such information not misleading. No event or circumstance has occurred which has had or could reasonably be expected to have a material adverse affect on the business, assets or prospects of the Borrower and the Guarantor, which has not been fully and accurately disclosed to the Lender in writing and those Borrower's that have not filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) are not insolvent and are able to meet their debts as they become due.

The representations and warranties in this Agreement and in any certificates or documents delivered to the Lender shall not merge in or be prejudiced by and shall survive any Borrowing and shall continue in full force and effect for the Term of this Agreement.

22. LENDER REPRESENTATIONS:

The Lender represents and warrants as follows:

(a) The Lender is a corporation existing under the laws of the Province of Ontario and has all necessary corporate power and authority to carry on its business as now being conducted by it, and to authorize, create, execute, deliver and perform all of its obligations under this Agreement; and

(b) This Agreement and each of the documents executed by the Lender in connection with this Agreement has been duly executed and delivered by the Lender and constitutes a legal, valid and binding obligation of the Lender enforceable against it in accordance with its respective terms.

23. COVENANTS:

(a) The Borrower covenants and agrees with the Lender that:

(i) it will (a) keep and maintain all property material to the conduct of its business in good working order and condition (ordinary wear and tear and casualty events excepted), and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations, all of which shall show the Lender as a loss payee;

(ii) it will comply with all Applicable Laws;

(iii) it shall pay or cause to be paid, when due (i) all taxes, assessments and governmental charges or levies (including interest and penalties) imposed upon such person or upon such person's income, sales, capital or profit or any other property belonging to such person, and (ii) Priority Claims;

(iv) it shall keep proper books of record and account, in which full and correct entries shall be made of all of its financial transactions and its assets and business in accordance with GAAP;

(v) it shall provide the Lender with online view access to all bank accounts of the Borrower;

(vi) it shall obtain the New Brunswick Guarantee satisfactory to the Lender in its discretion on or before December 31, 2013;

(vii) each of the Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Gray Aqua Processing Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd. and Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd. shall make a proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (collectively, the "**Proposal**") and provide a draft version of the Proposal for prior written approval by the Lender in its sole discretion;

(viii) each of Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Gray Aqua Processing Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd. and Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd. shall obtained Court and creditor approval in respect of the Proposal on or prior to January 31, 2014;

(ix) contemporaneously with the Proposal to cause Gray Aqua Processing Limited to provide security over all of its property, assets and undertaking in a form as may be required by the Lender in its sole discretion;

(x) contemporaneously with the Proposal to provide a share pledge by Gray Aqua Group Ltd. with respect to shares in the capital of Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd. and Pass-My-Can Aqua Farm Ltd. and share transfer powers of attorney and share certificates executed in blank;

(xi) contemporaneously with the approval of the Proposal to provide such further security over the property, assets and undertaking of the Borrowers in a form as may be required by the Lender in its sole discretion;

(xii) it shall promptly cure or cause to be cured any defects in the execution and delivery of any of the Credit Documents or any defects in the validity or enforceability of any of the Security Agreements and at its expense, execute and deliver or cause to be executed and delivered, all such agreements, instruments and other documents as the Lender may consider necessary or desirable for the foregoing purposes; and

(xiii) at the Borrower's cost and expense, upon reasonable request of the Lender, the Borrower and the Guarantor shall execute and deliver to the Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of the Lender to carry out more effectually the provisions and purposes of the Credit Documents;

(b) Each of the Borrower and the Guarantor covenants and agrees that the Borrower and the Guarantor shall not, at any time without the prior written consent of the Lender:

(i) permit any change of control or any material change in its business or operations;

(ii) create, grant, assume or permit to exist any Encumbrance (including Priority Claims) on any of their property other than Permitted Encumbrances;

(iii) sell, assign, lease, transfer or otherwise dispose of any of their assets, other than in the ordinary course of business;

(iv) dispose of, acquire or establish any subsidiary;

(v) redeem or repurchase any securities issued by them;

(vi) declare, make or pay any Distributions;

(vii) make, directly or indirectly, any payments of management, consulting or other fees for management or similar services, to any of their directors, officers, shareholders or anyone not at arms-length with any of them, except reasonable compensation for services rendered to the Borrower in the ordinary course of business;

(viii) reimburse any expenses paid or otherwise incurred by anyone, except to the extent that those expenses were incurred in the ordinary course of business and are reasonable in amount;

(ix) have any place of business or keep or store any material tangible personal property (other than goods that are of a type that are normally used in more than one jurisdiction, if the goods are equipment or inventory leased or held for lease by an obligor to others) outside of those jurisdictions (or registration districts within such jurisdictions) set forth in the Disclosure Schedule (i) except upon 30 days' written notice to the Lender; and (ii) unless the Borrower has done or caused to be done all such acts and things and executed and delivered or caused to be executed and delivered all such deeds, transfers, assignments and instruments (including opinions of counsel to the Borrower) as the Lender may reasonably require such that the Lender, shall continue to have a first priority perfected Lien (whether by way of registration or otherwise and subject only to Permitted Encumbrances) over all of the personal property of such person except where the Lender, acting reasonably, determines that the cost of obtaining such perfected security interest over an asset exceeds the benefit to it of obtaining such security interest;

(x) enter into or amend or terminate any contract in the ordinary course of business having a value over $50,000 or, in respect of those not in the ordinary course of business, having a value over $0.00;

(xi) make any payments or transfer any of their undertaking, properties, rights or assets to any person without due consideration which in any manner diverts, or results or could result in the diversion of, assets and/or opportunities of the Borrower or the Guarantor to such other person;

(xii) change its name, or the location of its place of business, if it has only one place of business, or its chief executive office without giving the Lender 30 days prior written notice;

(xiii) enter into any transaction (whether by way of amalgamation, merger, winding-up, consolidation, reorganization, transfer, sale, lease or otherwise) whereby all or substantially all of their undertaking, properties, rights or assets would become the property of any other person or entity, or in the case of amalgamation, of the continuing corporation resulting therefrom;

(xiv) permit the their insurance coverage, as required in this Agreement, to lapse at any time;

(xv) make a payment to any shareholder in respect of any shareholder loan owing to such shareholder or make a payment to any Affiliate in respect of any intercompany loan owing to such Affiliate;

(xvi) open or maintain any bank accounts other than the Disbursement Account and the Blocked Account;

(xvii) make a loan to or investments in any person, or give guarantees on behalf of any person; or

(xviii) incur or repay any indebtedness, other than pursuant to or as otherwise expressly permitted under this Agreement, except for arm's length trade debts, obligations or other liabilities incurred in the ordinary course of business;

(c) On request by the Lender from time to time, each of the Borrower and the Guarantor shall give Canada Revenue Agency and other Governmental Entities written authorization to disclose to the Lender the status of any Priority Claims. Each of the Borrower and the Guarantor hereby grants its consent (such grant to remain in force as long as this Agreement is in effect or any Borrowings are outstanding) to any person having information relating to any potential Priority Claim to release such information to the Lender at any time upon its written request for the purpose of assisting the Lender to evaluate the financial condition of the Borrower.

24. REPORTS:

The Borrower shall, in a form and manner prescribed by the Lender (which may include by fax and/or e-mail), deliver to the Lender the following, signed by a senior officer of the Borrower:

(a) Commencing on request by the Lender, daily, a list of total invoiced sales completed during the preceding day and a list of credit notes and cash receipts received by the Borrower from its customers during the preceding week;

(b) Weekly, an aged accounts receivable schedule, aged accounts payable schedule, inventory schedule (by location, size and quantity), market price report, Priority Claims listing, cost reconciliation against insurance coverage, general ledger of direct inventory costs and summary trial balance;

(c) Monthly, by the thirtieth (30^{th}) of each calendar month, a monthly compliance certificate including, without limitation, status reports on all contracts in a form satisfactory to the Lender;

(d) Monthly, by the thirtieth (30^{th}) of each calendar month in respect of the preceding month, an aged accounts receivable schedule, aged accounts payable schedule, inventory schedule (by location and size), Priority Claims listing and summary trial balance;

(e) Monthly, by the thirtieth (30^{th}) of each calendar month in respect of the preceding month, internally prepared financial statements for the preceding month and internally prepared financial statements for the year to date;

(f) Monthly, by the thirtieth (30^{th}) of each calendar month copies of all bank statements for the prior month;

(g) Monthly, by the thirtieth (30^{th}) of each calendar month copies of the most recent realty tax bill in respect of each of the Property with proof of payment of any installments billed to date together with evidence that all insurance policies in respect of the Borrower remain in full force;

(h) Annually, no later than thirty (30) days prior to the end of the Borrower's financial year, financial and business projections for the following financial year;

(i) Annually, within one hundred and twenty (120) days of the Borrower's financial year end in respect of the preceding financial year, audited financial statements for the Borrower that were prepared by external auditors;

(j) Annually, no later than thirty (30) days prior to the end the financial year of each of the corporate Guarantors, financial and business projections for the following financial year;

(k) Annually, within one hundred and twenty (120) days of the financial year end of each of the corporate Guarantors, unaudited financial statements in respect of the preceding financial year for the corporate Guarantors that were prepared by external auditors;

(l) Such additional financial information with respect to Borrower as and when requested by the Lender; and

(m) Forthwith, particulars of any occurrence which constitutes an Event of Default hereunder or of any action, suit or proceeding, pending or to the Borrower's knowledge threatened against the Borrower.

25. FIELD EXAMINATIONS/APPRAISALS:

(a) The Borrower acknowledges that the Lender and its examiners shall be permitted to conduct monthly field examinations of the Collateral and operations of the Borrower during the first six (6) months from the date hereof and thereafter not to exceed four (4) in any calendar year prior to a Default or Event of Default which is continuing and more frequently as the Lender may determine in its sole discretion thereafter.

(b) The Borrower further acknowledges that the Lender shall be permitted to obtain equipment valuations (not to exceed two (2) in any calendar year prior to a Default or Event of Default which is continuing and more frequently as the Lender may determine in its sole discretion thereafter).

(c) The Borrower and the Guarantors acknowledge that the Lender shall be permitted to obtain valuations (not to exceed one (1) in any calendar year prior to a Default or Event of Default which is continuing and more frequently as the Lender may determine in its sole discretion thereafter) in respect of the Property.

26. EXPENSES:

(a) The Borrower agrees to pay on demand all legal and other professional fees and disbursements and all expenses in respect of the Loan, the preparation and issuance of the Credit Documents, the conduct by the Lender of its due diligence, ongoing monitoring by the Lender of the Loan, the enforcement and preservation of the Lender's rights and remedies, discharge of the Security Agreements, all appraisals and field examinations contemplated in Paragraph 25, insurance consultation and similar fees and all other fees and disbursements of the Lender, whether or not any funds are advanced under the Loan.

(b) The Borrower shall indemnify and hold the Lender and each of its officers, directors, employees and agents (each an "**Indemnified Person**") harmless from, and shall pay to such Indemnified Person on demand any reasonable amounts required to compensate the Indemnified Person for, any claim or loss suffered by, imposed on, or asserted against, the Indemnified Person as a result of, connected with or arising out of (i) conducting a due diligence investigation of the operations and undertakings of the Borrower, (ii) the preparation, execution and delivery of, preservation of rights under, enforcement of, or refinancing, renegotiation or restructuring of, the Credit Documents and any related amendment, waiver or consent; (iii) any advice of counsel as to the rights and duties of the Lender with respect to the administration of the Loan, the Credit Documents or any transaction contemplated under the Credit Documents; (iv) a default by the Borrower hereunder and any enforcement proceedings relating to any of the Credit Documents; (v) any proceedings brought against the Indemnified Person due to the Lender entering into any of the Credit Documents, performing its obligations under the Credit Documents, providing any Borrowing or any use of any Borrowing by the Borrower; provided that the Borrower shall have no obligation to indemnify any Indemnified Person for any of the foregoing to the extent determined by a judgment of a court of competent jurisdiction to have arisen from such Indemnified Person's gross negligence, willful misconduct or fraud or default by the Lender or such other Indemnified Person under any of the Credit Documents or breach of Applicable Law by the Lender or such other Indemnified Person.

(c) The provisions of this Paragraph 26 shall survive the termination of this Agreement, the repayment of all amounts owing hereunder and the cancellation of the Loan.

27. EVENTS OF DEFAULT:

Without limiting any other rights of the Lender under this Agreement, if any one or more of the following events (herein an "**Event of Default**") has occurred and is continuing:

(a) the Borrower fails to pay when due, whether on demand or at a fixed payment date, by acceleration or otherwise, any payment of interest, principal, fees, commissions or other amounts payable to the Lender;

(b) there is a breach by the Borrower of any other term or condition contained in any Credit Document or in any other agreement with the Lender to which any of them is a party and such breach continues for ten (10) days after the Borrower shall have received written notice of same;

(c) any default occurs under any other credit, loan or security agreement to which the Borrower or a Guarantor is a party and such breach continues for ten (10) days after the Borrower shall have received written notice of same;

(d) a petition, case or proceeding under the bankruptcy laws of Canada or similar laws of any foreign jurisdiction now or hereafter in effect or under any insolvency, arrangement, reorganization, moratorium, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed or commenced against the Borrower or all or any part of its properties and such petition or application is not dismissed within thirty (30) days after the date of its filing or the Borrower shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(e) the Borrower does not deposit funds from any source into the Blocked Account or deposits any funds from any source into an account other than the Blocked Account;

(f) any judgment for the payment of money is rendered against the Borrower in excess of $50,000 and shall remain undischarged or unvacated for a period in excess of thirty (30) days or execution shall at any time not be effectively stayed;

(g) a Material Adverse Change shall have occurred since the date of this Agreement;

(h) any audited financial statements of the Borrower are qualified in any respect by the Borrower's independent auditors;

(i) a receiver is appointed over any property of the Borrower or any judgment or order or process of any court becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower;

(j) the Borrower makes a payment to any Affiliate in respect of any loan owing to such Affiliate, except as otherwise permitted hereunder;

(k) any course of action is undertaken by the Borrower which would result in its reorganization, amalgamation or merger with another entity or the transfer of all or substantially all of its assets;

(l) any Security Agreement is or becomes illegal, invalid, prohibited or unenforceable and/or ceases to rank in the priority contemplated herein against the property charged thereunder;

(m) any representation or warranty made by the Borrower in any Credit Document or in any certificate or other document delivered to the Lender in connection herewith is false or misleading in any material respect; or

(n) in the opinion of the Lender, any adverse change has occurred in the financial condition or business of the Borrower which may impair its ability or willingness to perform any of its obligations to the Lender or the Lender considers the security held to secure the Loan to be in jeopardy or the Lender considers itself insecure;

then, in such event, the ability of the Borrower to make further Borrowings under this Agreement shall immediately terminate and the Lender may, by written notice to the Borrower, declare the Borrowings outstanding hereunder to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all Borrowings outstanding under this Agreement and all other obligations of the Borrower to the Lender in connection therewith.

Upon a declaration that the Borrowings outstanding hereunder are immediately due and payable pursuant to this Paragraph 27, the Lender may commence such legal action or proceedings as the Lender in its sole discretion deems expedient, including the commencement of enforcement proceedings under the Credit Documents, all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are expressly waived by the Borrower.

The rights and remedies of the Lender under the Credit Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies.

28. GENERAL:

(a) The Security Agreements contain covenants, representations, warranties and events of default to which the Borrower shall be bound, in addition to any covenants, representations, warranties and events of default herein contained.

(b) All obligations of the Borrower hereunder are joint and several.

(c) The terms and conditions of this Agreement shall not be merged in, and shall survive, the execution of the Credit Documents. In the event of any conflict or inconsistency between any provision of this Agreement and any of the other Credit Documents, the provisions of this Agreement shall govern and prevail.

(d) All notices, requests, demands or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile transmission addressed to such other party or delivered to such other party as follows:

(i) to the Borrower and the Guarantors at:

3801 Route 105
Northampton, NB E7N 1C7
Attention: Tim Gray
Fax No.: 506.325.9871

(ii) to the Lender at:

Suite 4320, Royal Trust Tower
77 King Street West
Toronto, ON M5K 1K2

Attention: COO

Facsimile: 416.941.9876

or at such other address or facsimile number as may be given by any of them to the others in writing from time to time and such notices, requests, demands or other communications shall be deemed to have been received when delivered, or, if sent by facsimile transmission, on the date of transmission unless sent on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient) on a Business Day, in which case it shall be deemed to have been received on the next Business Day following the day of such transmission.

(e) The benefit of this Agreement may not be assigned by the Borrower.

(i) The Lender may in its sole discretion and at its expense arrange for the funding or assignment of all or part of the Loan (whether directly or indirectly), either at the time of the initial advance hereunder or from time to time thereafter, to one or more other persons (which may or may not be affiliated with the Lender). Without limiting the foregoing, the Lender may, at any time and without the consent of the Borrower, assign the whole or any part of its rights and obligations pursuant to this Agreement or any of the Security Agreements or other Credit Documents to any person. The Borrower agrees, at the expense of the Lender (other than the Borrower's reasonable legal fees and expenses) to enter into all such documents and assurances as may be necessary to facilitate same.

(ii) The Lender may disclose to potential or actual assignees confidential information regarding the Borrower (including, any such information provided by the Borrower to the Lender); provided that such potential or actual assignee agrees to keep such confidential information confidential and use it solely for evaluation of an assignment or the administration of this Agreement and the other Credit Documents. The Lender shall not be liable for any disclosure of confidential information made pursuant to this Paragraph 28(e).

(f) Any and all payments made at any time in respect of the Loan or any other obligation hereunder and the proceeds realized from any security held therefor may be applied (and reapplied from time to time notwithstanding any previous application) to such part or parts of the indebtedness of the Borrower as the Lender sees fit.

(g) Time shall be in all respects of the essence hereof.

(h) Any provision of this Agreement which is invalid or unenforceable under the laws of any jurisdiction in which this Agreement is sought to be enforced shall, as to such jurisdiction and to the extent such provision is invalid or unenforceable, be deemed severable and shall not affect any other provision of this Agreement.

(i) In no event shall the interest and all other charges provided for hereunder exceed the maximum aggregate amount that the Lender may collect in compliance with Applicable Law. Notwithstanding anything to the contrary herein contained, if at any time implementation of any provision hereof results in a payment in contravention of the preceding sentence, the amount of the excess shall be applied as a partial prepayment of principal without the application of any prepayment fee.

(j) The Lender will not be considered to have waived compliance with or amended any part of this Agreement or any obligations of the Borrower or the Guarantors hereunder or under any other document unless such waiver or amendment is specifically set out in writing. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given. The Lender shall not be deemed to have waived compliance with any obligation of the Borrower or the Guarantors simply because it does not exercise any of its rights or remedies immediately upon the occurrence of a breach thereof.

(k) No representation or warranty or other statement made by the Lender concerning the Loan shall be binding on the Lender unless made by it herein or in writing as a specific amendment to this Agreement.

(l) The Lender's records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender.

(m) All financial or accounting determinations, reports and statements provided for in this Agreement shall be made or prepared in accordance with GAAP applied in a consistent manner.

(n) Each of the Borrower and the Guarantors consent to the obtaining from any credit reporting agency or from any person or entity of such information as the Lender may require at any time, and consent to the disclosure at any time of any information concerning the Borrower or the Guarantors to any credit grantor with whom the Borrower or the Guarantors has financial relations or to any credit reporting agency.

(o) This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or by electronic transmission in portable document format (PDF) of an executed counterpart of this Agreement is as effective as delivery of an originally executed counterpart of this Agreement.

(p) This Agreement shall be governed by and construed in accordance with the laws of the province of New Brunswick and the federal laws of Canada applicable therein.

(q) The Borrower, the Guarantors and the Lender irrevocably consent and submit to the non-exclusive jurisdiction of the New Brunswick Court of Queen's Bench and waive any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Agreement or any of the other Security Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Security Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that Lender shall have the right to bring any action or proceeding against any or all of the Borrower or the

Guarantors or their respective property in the courts of any other jurisdiction which Lender deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce its rights against any or the Borrower or the Guarantors or their respective property).

(r) Except as otherwise expressly provided herein, all dollar amounts herein are in Canadian Dollars.

(s) The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande*

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

If the arrangements set out in this Agreement are acceptable to you, please sign the enclosed copy of this Agreement in the space indicated below and return the letter to us.

Yours very truly,

CALLIDUS CAPITAL CORPORATION

Per: ______________________
Name: James A. Riley
Title: Director and Secretary

Per: ______________________
Name:
Title:

I/We have authority to bind the Corporation.

The arrangements set out above are hereby acknowledged and accepted as of this 11th day of December, 2013.

GRAY AQUA GROUP LIMITED

____
Name:
Title:

____
Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

____
Name:
Title:

____
Name:
Title:

I/We have authority to bind the Corporation

If the arrangements set out in this Agreement are acceptable to you, please sign the enclosed copy of this Agreement in the space indicated below and return the letter to us.

Yours very truly,

CALLIDUS CAPITAL CORPORATION

Per: ______________________________
Name: James A. Riley
Title: Director and Secretary

Per: ______________________________
Name:
Title:

I/We have authority to bind the Corporation.

The arrangements set out above are hereby acknowledged and accepted as of this 11th day of December, 2013.

GRAY AQUA GROUP LIMITED

____
Name: TIM GRAY
Title: PRESIDENT

____
Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

____
Name: ROBERT GRAY
Title: PRES.

____
Name:
Title:

I/We have authority to bind the Corporation

GRAY'S AQUA MANAGEMENT LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

BUTTER COVE AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GOBLIN BAY AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

JERVIS ISLAND AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

PASS-MY-CAN AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608691 N.B. LTD.

Name: Jeff Gray
Title: President

Name:
Title:

I/We have authority to bind the Corporation

608672 N.B. LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608690 N.B. LTD.

Name: ROBERT GRAY
Title: Pres.

Name:
Title:

I/We have authority to bind the Corporation

608715 NB LIMITED

Name: ROBERT GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

608716 NB LIMITED

Name: Jeff Gray
Title: President

Name:
Title:

I/We have authority to bind the Corporation

M. GRAY HOLDINGS LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

The undersigned hereby acknowledge and agree to the foregoing as of this 11th day of December, 2013.

Witness:	Jeffrey Gray
Witness:	Robert Gray
Witness:	Timothy Gray

SCHEDULE A – DISBURSEMENT ACCOUNTS

Cdn$ Account #520592 transit 4854 with The Toronto-Dominion Bank Transit #4854 - 685 MAIN ST. WOODSTOCK , NB E7M 2E1
US$ Account # 7321668 transit 1025 with the The Toronto-Dominion Bank Transit in Toronto.

SCHEDULE B – DISCLOSURE SCHEDULE

(A) BORROWED MONEY

Gray Aqua Group	
BDC loan for harvest vessel	567,776.00
ACOA-192452	341,654.00
West Isles Transport Ltd.	7,588.26
GE Canada- 2010 International	48,527.55
Ford Credit - 2012 Ford F-150	38,019.21
Bodkin Capital - Crane	346.81
ACOA - 194214	368,045.00
ACOA - 199207	500,000.00
BDC Loan# 049865-02	53,333.44
ACOA - 197218	500,000.00
ACOA - #200524	500,000.00
ACOA - 200524	98,946.84
HSBC #1 - Net Washer	105,333.90
BDC Loan #049865-03	590,148.00
HSBC- Cages #1	301,824.04
HSBC Cages #2	175,521.08
Capital Underwriters - Aqua Sonar	25,066.71
HSBC #8	187,473.13
HSBC # 7	293,293.97
Capital Underwriters -Managers Boat	25,781.85
Mercado - 2008 Case Wheel Loader	15,812.00
Capital Underwriters - Boat	33,578.25
Mercado Loan - Cube Van	9,181.19
TD Equip.- Jack Pendleton Boat	26,950.45
HSBC Cages # 3	261,354.97
HSBC # 6 - Goblin Bay Site	347,755.85
Barring Cages #4	231,994.22
HSBC # 5	277,395.12
HSBC - Cranes, Stunner & net	133,352.28
DeLage Landed- 2011 ForkLift	13,439.39
HSBC - Feeders, Stunner, Winch, etc	472,224.50
Net Washing System	38,409.93

Gray Aqua Farms Ltd.

CapitalUnderwriters-2012 Transcraft	17,317.81
CNH Capital - Case Farmall	5,569.72
BDC Loan #053001-01	417,500.00
Bodkin Capital	7,678.77
Wells Fargo - 2008 Case Loader	18,668.83
BDC Loan #053001-02	53,333.44
Roynat - Vaccination Machine	44,857.20
Capital Underwriters Inc.	94,688.77
Compressor - Roynat Lease	7,493.69
Mercado Capital Corp - Case Loader	24,164.67
CNH Capital - 2011 Case Loader	29,208.43

Gray Aqua Management Ltd.

HSBC Loan	96,919.32
BDC Loan #059711-01	322,500.00

Gray Aqua Processing Ltd.

BDC Loan #062492-03	2,202,241.00
CBDC- South	146,816.58
CBDC- Central	146,816.58

(B) COLLATERAL LOCATIONS

The Property

3801 Route 105, Northampton, NB E7N 1C7

Northampton Office & Hatchery - 3801 Route 105, Northampton, NB E7N 1C7

NL office - 100 Fisheries Wharf, Conne River, NL A0H 1J0

NL Feed Warehouse - 37 Main Highway, Hermitage, NL A0H 1S0

Processing Plant - 1 -3 Plant Road, Hermitage, NL A0H 1S0

SCHEDULE C – PERMITTED ENCUMBRANCES

Encumbrances in respect of the Borrowed Money

New Brunswick

Gray Aqua Farms Ltd.

1. Toronto-Dominion Bank #48544 registered on 2007-11-14 charging all present and after acquired personal property [**NTD: Advised by Borrower that all loans from TD have been paid out.. Need confirmation of payouts and authorization from TD to discharge**].
2. Business Development Bank of Canada registered 2009-03-10 charging all present and after acquired personal property.
3. Bodkin Capital Corporation registered on 2009-06-02 charging specified property including a trailer.
4. CNH Capital Canada Ltd. registered on 2009-09-03 charging a snow-blower and 2 motor vehicles.
5. Wells Fargo Equipment Finance Company registered on 2009-10-23 charging a motor vehicle wheel loader.
6. Wells Fargo Equipment Finance Company registered on 2010-04-27charging a motor vehicle wheel loader.
7. Roynat Inc. registered on 2010-07-27 charging vaccination machines.
8. Ford Credit Canada Leasing, A Division Of Canadian Road Leasing Company registered on 2010-08-09 charging a motor vehicle.
9. Capital Underwriters Inc. registered on 2011-01-06 charging fish pumps.
10. Mercado Capital Corporation, Div. of Westminister Savings Credit Union registered on 2011-01-11 charging a motor vehicle.
11. Capital Underwriters Inc. registered on 2011-02-17 charging sonar fish sizing units.
12. CNH Capital Canada Ltd. registered on 2011-04-11 charging a motor vehicle.
13. Capital Underwriters Inc. registered on 2011-04-28 charging various fishing equipment and boats located in Conne River, NL.
14. Wells Fargo Equipment Finance Company registered on 2011-05-17 charging trailers.
15. TD Equipment Finance Canada Inc. registered on 2011-05-30 charging a boat located in Conne River, NL.
16. Blue Chip Leasing Corporation registered on 2011-08-16 charging leased equipment.
17. De Lage Landen Financial Services Canada Inc. registered on 2011-09-09 charging a motor vehicle.
18. General Electric Canada Equipment Finance G.P. registered on 2011-09 charging a motor vehicle.
19. Roynat Inc registered on 2011-10-25 charging compressor equipment.
20. Bank of Nova Scotia – Atlantic CAU registered on 2011-10-26 charging a motor vehicle.
21. Ford Credit Canada Limited registered on 2012-02-24 charging a motor vehicle.
22. Ford Credit Canada Limited registered on 2012-02-24 charging a motor vehicle.
23. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2012-04-13 charging a wheel loader motor vehicle.
24. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2012-04-13 charging a cube van.
25. Business Development Bank of Canada registered on 2012-05-11 charging all present and after acquired personal property.

Gray Aqua Group Ltd.

1. Business Development Bank of Canada registered on 2010-09-24 charging all present and after acquired personal property.
2. Business Development Bank of Canada registered on 2010-09-24 charging all present and after acquired personal property.
3. Blue Chip Leasing Corporation registered on 2011-08-16 charging all leased equipment.
4. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2012-04-13 charging a wheel loader motor vehicle.
5. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2012-04-13 charging a cube van motor vehicle.
6. Ford Credit Canada Leasing, A Division Of Canadian Road Leasing Company registered on 2013-04-15 charging a motor vehicle.

Newfoundland and Labrador

Gray Aqua Farms Ltd.

1. Capital Underwriters Inc. registered on 2011-02-17 charging aqua fish sizing sonar.
2. Capital Underwriters Inc. registered on 2011-02-18 charging boats and outboard motors.
3. Capital Underwriters Inc. registered on 2011-04-28 charging a boat and outboard motor.
4. TD Equipment Finance Canada Inc. registered on 2011-05-30 charging a boat and outboard motor.
5. Blue Chip Leasing Corporation registered on 2011-08-29 charging all leased equipment.
6. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2013-09-13 charging a trailer.
7. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2013-09-13 charging a motor vehicle.
8. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2013-09-13 charging a motor vehicle.

Gray Aqua Group Ltd.

1. Business Development Bank of Canada registered on 2010-10-08 charging equipment and all present and after acquired personal property.
2. Business Development Bank of Canada registered on 2010-10-08 charging all present and after acquired personal property.
3. Blue Chip Leasing Corporation registered on 2011-08-29 charging all leased equipment.
4. South Coast Community Development Corporation registered on 2013-02-13 charging all present and after acquired personal property and specified equipment.
5. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2013-09-13 charging a motor vehicle.
6. Mercado Capital Corporation, Div. of Westminster Savings Credit Union registered on 2013-09-13 charging a motor vehicle.

Gray Aqua Processing Ltd.

1. Business Development Bank of Canada registered on 2011-07-15 charging all present and after acquired personal property.
2. Business Development Bank of Canada registered on 2012-01-10 charging all present and after acquired personal property.
3. Business Development Bank of Canada registered on 2012-05-15 charging equipment.

4. Ozone International LLC registered on 2013-02-12 charging an ozone monitor.
5. South Coast Community Development Corporation registered on 2013-02-13 charging all present and after acquired personal property.
6. Central Community Development Corporation registered on 2013-03-20 charging equipment.

SCHEDULE D – CREDITORS PROVIDING DISCHARGES

NIL

SCHEDULE E – PRIOR CREDITOR ACKNOWLEDGMENTS

Business Development Bank of Canada – Intercreditor Agreement

SCHEDULE F – EQUIPMENT

The Equipment referenced in an assignment agreement among, *inter alia*, the Lender and HSBC Bank Canada of even date herewith.

SCHEDULE G – SECURITY

1. Debenture dated November 14, 2011 from Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., and Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada to a maximum principal amount of$25,000,000.00. The debenture provides HSBC with a first, fixed and specific mortgage over all real property, both freehold and leasehold including, without limitation,

   a) the water lot at Butter Cove, Bay d'Espoir, NL
   b) the water lot at Goblin Bay, Bay d'Espoir, NL
   c) the water lot at Great Jervis Island, Bay d'Espoir, NL
   d) the water lot at Pass-My-Can, Bay d'Espoir, NL

   Debenture provides a floating charge on all other assets and undertaking of the Issuers. (Governed by-laws of NL)

2. Undertaking dated November 14, 2011 from Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farms Ltd;, and Pass-My-Can Aqua Farms Ltd. to perfect HSBC Bank Canada's fixed security over the aquaculture site of Jervis Island Aqua Farms Ltd. currently under application for lease upon issuance of lease

3. Assignment and Postponement dated November 10, 2011 from Gray Aqua Farms Ltd. to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Gray Aqua Farms Ltd. (NB law)

4. Assignment and Postponement dated November 10, 2011 from Gray's Aqua Management Ltd. to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Gray's Aqua Management Ltd. (NB law)

5. Assignment and Postponement dated November 10, 2011 from Timothy Rhodes Gray to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Robert Frederick Gray (NB law)

6. Assignment and Postponement dated November 10, 2011 from Robert Frederick Gray to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Robert Frederick Gray (NB law)

7. Assignment and Postponement dated November 10, 2011 from Jeffrey Walter Gray to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to Jeffrey Walter Gray (NB law)

8. Assignment and Postponement dated November 10, 2011 from 608712 N.B. Limited to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to 608712 N.B. Limited (NB law)

9. Assignment and Postponement dated November 10, 2011 from 608715 N.B. Limited to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to 608715 N.B. Limited (NB law)

10. Assignment and Postponement dated November 10, 2011 from 608716 N.B. Limited to HSBC of all indebtedness, present and future, of Gray Aqua Group Ltd. to 608715 N.B. Limited (NB law)

11. Assignment of Life Insurance Policy dated November 10, 2011 issued by Equitable Life of Canada on the life of Timothy Rhodes Gray in the amount of $750,000.00 by policy number 300116684

12. Assignment of Life Insurance Policy dated November 10, 2011 issued by Equitable Life of Canada on the life of Robert Frederick Gray in the amount of $750,000.00 by policy number 300116691

13. Assignment of Life Insurance Policy dated November 10, 2011 issued by Equitable Life of Canada on the life of Jeffrey Walter Gray in the amount of $750,000.00 by policy number 300116686

14. Agreement Respecting Assignment of Life Insurance Policy from Timothy Rhodes Gray and Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 re assignment of $750,000.00 from Equitable Life of Canada insurance policy number 300116684 in the amount of $2,500,000.00 (NS law)

15. Agreement Respecting Assignment of Life Insurance Policy from Robert Frederick Gray and Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 re assignment of $750,000.00 from Equitable Life of Canada insurance policy number 300116691 in the amount of $2,500,000.00 (NS law)

16. Agreement Respecting Assignment of Life Insurance Policy from Jeffrey Walter Gray and Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 re assignment of $750,000.00 from Equitable Life of Canada insurance policy number 300116686 in the amount of $2,500,000.00 (NS law)

17. Assigned Life Insurance Policies Enquiry Form No. 1 dated November 16, 2011 from HSBC Bank Canada to Equitable Life of Canada re assignment of policy number 300116684 on the life of Timothy Rhodes Gray

18. Assigned Life Insurance Policies Enquiry Form No. 1 dated November 16, 2011 from HSBC Bank Canada to Equitable Life of Canada re assignment of policy number 300116686 on the life of Jeffrey Walter Gray

19. Assigned Life Insurance Policies Enquiry Form No. 1 dated November 16, 2011 from HSBC Bank Canada to Equitable Life of Canada re assignment of policy number 300116691 on the life of Robert Frederick Gray

20. Vessel Mortgage dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada on Vessel "Elizabeth Jane I" having official number 833898 as security for credit facilities in the amount of $24,550,000 (laws of Canada)

21. Vessel Mortgage dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada on Vessel "K.C." having official number 835988 as security for credit facilities in the amount of $24,550,000 (laws of Canada)

22. Vessel Mortgage dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada on Vessel "Dylan B" having official number 821802 as security for credit facilities in the amount of $24,550,000 (laws of Canada)

23. Deed of Covenants dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada pursuant to the Vessel Mortgage on the Vessel "Elizabeth Jane I" (NS and Canadian law)

24. Deed of Covenants dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada pursuant to the Vessel Mortgage on the Vessel "K.C." (NS and Canadian law)

25. Deed of Covenants dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada pursuant to the Vessel Mortgage on the Vessel "Dylan B" (NS and Canadian law)

26. Assignment of Insurance from Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Gray Aqua Group Ltd.

27. Assignment of Insurance from Butter Cove Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Butter Cove Aqua Farms Ltd.

28. Assignment of Insurance from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Goblin Bay Aqua Farms Ltd.

29. Assignment of Insurance from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Jervis Island Aqua Farms Ltd.

30. Assignment of Insurance from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Pass-My-Can Aqua Farms Ltd.

31. Assignment of Insurance from Gray Aqua Farms Ltd. to HSBC Bank Canada dated November 10, 2011 on all present and future insurance policies on all real and personal property of Gray Aqua Farms Ltd.

32. Environmental Agreement and Indemnity (Short Form) dated November 10, 2011 from Gray Aqua Group Ltd., Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., and Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada regarding leased NB lands and leased NL land and leased NL aquaculture sites (NS law)

33. Agreement for Foreign Exchange Contracts dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada (ON law) – Terminated effective the date hereof

34. Priority Agreement dated November 10, 2011 between HSBC Bank Canada, Business Development Bank of Canada, Gray Aqua Farms Ltd. and Gray Aqua Group Ltd. pursuant to which parties acknowledge that HSBC shall have priority over inventory and receivables and often acquired personal property which is purchased using HSBC financing and Business Development Bank to have priority over all other present and after-acquired personal property (NS law)

35. Waiver of Distraint dated November 14, 2011 between Frank Terrance Slipp In Trust for the Estate of Marjorie Ann Slipp and HSBC Bank Canada. Landlord waives its right to distrain against the inventory, other chattels and fixtures of Gray Aqua Farms Ltd. and Gray's Aqua Management Ltd. located on lands located at Northampton, NB identified as PID 10241453 and PID 10241479

36. Unlimited Guarantee from Gray Aqua Farms Ltd. to HSBC Bank Canada of obligations of Gray Aqua Group Ltd. to HSBC Bank Canada dated November 10, 2011 (NB law)

37. Depository Bills Agreement dated November 10, 2011 between Gray Aqua Group Ltd. and HSBC Bank – Terminated effective the date hereof

38. Power of Attorney re Depository Bills dated November 10, 2011 from Gray Aqua Group Ltd. in favour of HSBC Bank Canada (NS law) – Terminated effective the date hereof

39. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada) – Terminated effective the date hereof

40. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Butter Cove Aqua Farms Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

41. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

42. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada (NS law) (assignable by HSBC Bank Canada)

43. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada (NS law)

44. Security Over Cash, Credit Balances and Deposit Instruments By Third Party dated November 10, 2011 from Gray Aqua Farms Ltd. to HSBC Bank Canada (NS law)

45. General Security Agreement dated November 10, 2011 from Gray Aqua Group Ltd. to HSBC Bank Canada (NS law)

46. General Security Agreement dated November 10, 2011 from Gray Aqua Farms Ltd. to HSBC Bank Canada (NB law)

47. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Butter Cove Aqua Farms Ltd. in favour of HSBC Bank Canada (NL law)

48. General Security Agreement dated November 10, 2011 from Butter Cove Aqua Farms Ltd. to HSBC Bank Canada (NL law)

49. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada (NL law)

50. General Security Agreement dated November 10, 2011 from Goblin Bay Aqua Farms Ltd. to HSBC Bank Canada (NL law)

51. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada (NL law)

52. General Security Agreement dated November 10, 2011 from Jervis Island Aqua Farms Ltd. to HSBC Bank Canada (NL law)

53. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray Aqua Group Ltd. from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada (NL law)

54. General Security Agreement dated November 10, 2011 from Pass-My-Can Aqua Farms Ltd. to HSBC Bank Canada (NL law)

55. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Butter Cove Aqua Farms Ltd. and HSBC Bank Canada

with regard to aquaculture Lease/Licence issued to Butter Cove Aqua Farms Ltd. (NL law)

56. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Goblin Bay Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Goblin Bay Aqua Farms Ltd. (NL law)

57. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Jervis Island Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Jervis Island Aqua Farms Ltd. (NL law)

58. Non-Disturbance Agreement dated November 24, 2011 between Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Fisheries and Aquaculture, Her Majesty in Right of Newfoundland and Labrador as represented by the Minister of Environment and Conservation, Pass-My-Can Aqua Farms Ltd. and HSBC Bank Canada with regard to aquaculture Lease/Licence issued to Pass-My-Can Aqua Farms Ltd. (NL law)

59. General Security Agreement dated November 10, 2011 from Gray's Aqua Management Ltd. to HSBC Canada.

60. Unlimited Guarantee dated November 10, 2011 of the obligations of Gray's Aqua Management Ltd. from Gray Aqua Group Ltd. to HSBC Bank Canada.

CALLIDUS CAPITAL CORPORATION
Suite 4320, Royal Trust Tower
77 King Street West
Toronto, Ontario
M5K 1K2
Fax (416) 941-9876

Dated June 9, 2014

Gray Aqua Group Limited,
Gray Aqua Farms Ltd.,
Gray's Aqua Management Ltd.,
Butter Cove Aqua Farm Ltd.,
Goblin Bay Aqua Farm Ltd.,
Jervis Island Aqua Farm Ltd.,
Pass-My-Can Aqua Farm Ltd.,
608691 N.B. Ltd.,
608672 N.B. Ltd.,
608690 N.B. Ltd.,
608715 NB Limited,
608716 NB Limited,
M. Gray Holdings Ltd.,
Jeffrey Gray,
Robert Gray, and
Timothy Gray

Attention: Timothy Gray

Dear Sir:

Re: Callidus Capital Corporation (the "**Lender**") credit facilities with Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd. (collectively, the "**Borrower**") pursuant to a credit agreement dated as of December 11, 2013 (the "**Credit Agreement**")

Further to our recent conversations, we confirm that you have asked the Lender to consider a number of amendments to the Credit Agreement including the creation of a new facility E loan to fund future capital expenditures. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Credit Agreement as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement):

1. From and after the date hereof, the references to the principal amount of "Three Million Dollars ($3,000,000)" in Sections 3(a) and 7(c) of the Credit Agreement in respect of the Facility A Loan are hereby reduced to "One Million Seven Hundred Thousand Dollars ($1,700,000)".

2. From and after the date hereof, the references to the principal amount of "Twelve Million Dollars ($12,000,000)" in Sections 3(b) and 9(c) of the Credit Agreement in respect of the Facility B Loan are hereby increased to "Fourteen Million Dollars ($14,000,000)".

3. From and after the date hereof, Subsections 5(r) and 5(s) of the Credit Agreement are hereby deleted.

4. For the purposes of the Credit Agreement "**Eligible Insurance Claims Accounts Receivable**" means accounts of the Borrower that arise from insurance claims formally approved in writing by the Borrower's insurer and satisfactory to the Lender that are otherwise Eligible Accounts Receivable.

5. For the purposes of the Credit Agreement "**Eligible Saltwater Fish Inventory**" means the Borrower's fish inventory located at the Borrower's saltwater facilities that are and continue to be acceptable to the Lender, in its sole discretion, for margining purposes.

6. From and after the date hereof the second paragraph of Section 6 of the Credit Agreement is hereby deleted and replaced with the following"

   "(a) ninety percent (90%) of Eligible Insured Accounts Receivable and Eligible Investment Grade Accounts in respect of Eligible Freshwater Fish Inventory as reflected in its then current Weekly Borrowing Base Report; and

   (b) eighty-five percent (85%) of Eligible Accounts Receivable in respect of Eligible Freshwater Fish Inventory as reflected in its then current Weekly Borrowing Base Report; and

   (d) ninety percent (90%) of the weight of Eligible Freshwater Fish Inventory multiplied by the market value per kilogram updated weekly and as determined by the Lender all as reflected in its then current Weekly Borrowing Base Report; and"

7. From and after the date hereof subsections (a)-(e) of Section 6 of the Credit Agreement are hereby deleted and replaced with the following"

   "(a) ninety percent (90%) of Eligible Insured Accounts Receivable and Eligible Investment Grade Accounts in respect of Eligible Saltwater Fish Inventory as reflected in its then current Weekly Borrowing Base Report; and

   (b) eighty-five percent (85%) of Eligible Accounts Receivable and Eligible Insurance Claims Accounts Receivable in respect of Eligible Saltwater Fish Inventory as reflected in its then current Weekly Borrowing Base Report; and

(d) ninety percent (90%) of the weight of Eligible Saltwater Fish Inventory multiplied by the market value per kilogram updated weekly and as determined by the Lender all as reflected in its then current Weekly Borrowing Base Report; and"

8. From and after the date hereof, all references to Equipment as used in respect of the Facility C Loan shall be limited to Equipment owned by the Borrower as of the date hereof.

9. From and after the date hereof, the Lender agrees to provide an additional multiple advance non-revolving demand facility in the maximum principal amount of the lesser of Four Hundred and Fifty Thousand Canadian Dollars ($450,000 Cdn.) and (i) 75% of the cost (excluding all soft costs as determined by the Lender) of new equipment purchased after the date hereof approved by and on payment terms acceptable to the Lender in its sole discretion, if prior to receipt by the Lender of an Equipment Appraisal in respect of the new Equipment, or (ii) 90% of the appraised forced sale liquidation value of new Equipment approved by the Lender in its sole discretion, upon receipt by the Lender of an Equipment Appraisal in respect of the new equipment, on the following terms and conditions (the "**Facility E Loan** and together with the Facility A Loan, the Facility B Loan, the Facility C Loan and Facility D Loan, the "**Loan**"):

(a) **Purpose:** The purpose of the Facility E Loan shall be to fund future capital expenditures.

(b) **Interest:** Interest on the principal amount of the Facility E Loan outstanding from time to time shall be calculated at a rate of eighteen percent (18%) per annum, which interest shall otherwise be calculated and payable in the same manner as provided for in Section 13 of the Credit Agreement.

(c) **Repayment:** Until the earliest of: (a) demand; (b) an Event of Default; and (c) the Repayment Date, the Facility E Loan shall be repayable by way of consecutive equal monthly payments of principal to be based on a 48 month amortization based on the principal amount outstanding on the Facility E Loan at the end of each month (to be calculated with each advance of the Facility E Loan) commencing on and calculated from the last day of the calendar month after the date of the first advance of the Facility E Loan with a final balloon payment on the Repayment Date.

At any time and from time to time, upon notice from the Lender on or after receipt by the Lender of any updated Equipment Appraisal, the Borrower shall also make a payment of principal in an amount equal to the difference, if any, by which ninety percent (90%) of the updated Equipment Appraisal in respect of the Equipment financed by the Facility E Loan is less than the Facility E Loan amount then outstanding (principal and accrued and unpaid interest) to be applied against the Facility E Loan.

Upon the sale of any Equipment, if permitted by the Lender in its sole discretion, included in the Equipment Appraisal in respect of the Facility E Loan, the Borrower shall also make a payment of principal equal to ninety percent (90%) of the amount of the Equipment Appraisal attributable to such Equipment to be applied against the Facility E Loan.

(d) **Security:** All present and future liabilities and obligations of the Borrower to the Lender under the Facility E Loan shall be secured by the Security Agreements.

(e) **Advances:** The Facility E Loan shall be available by way of a multiple advances at the discretion of the Lender and subject to the following conditions:

i. all representations and warranties of the Borrower contained in the Security Agreements shall be true and correct on the date of each advance under the Facility E Loan;

ii. the Borrower shall provide the Lender with a certificate certifying that all representations and warranties of the Borrower contained in the Security Agreements are true and correct as at the date of any advance under the Facility E Loan; and

iii. no Event of Default shall have occurred.

10. From and after the date hereof, section 17(b) of the Credit Agreement is hereby deleted and replaced with the following definition:

"The Borrower shall pay an unused line fee for each day of the Term of this Agreement in an amount equal to (i) the maximum amount of the Facility A Loan less the amount outstanding for such day in respect of the Facility A Loan, plus (ii) the maximum amount of the Facility B Loan less the amount outstanding for such day in respect of the Facility B Loan, plus (iii) the maximum amount of the Facility E Loan less the amount outstanding for such day in respect of the Facility E Loan, multiplied by 1.0% and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the unused line fee is payable. The unused line fee for each month (except for the month in which the Repayment Date occurs) is payable in arrears on the last day of each calendar month following the initial advance of the Facility A Loan; the final monthly installment of the unused line fee is payable on the Repayment Date. Notwithstanding the foregoing, any unpaid unused line fee is immediately due and payable on the date that the Loan is indefeasibly repaid in full."

11. The Borrower shall pay a facility fee in respect of Facility E Loan in the amount of $20,000 which fee shall be fully earned on the date hereof and shall be payable on the earliest of September 15, 2014; the prepayment of the Loan and the occurrence of a Default.

12. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement.

13. This Agreement is supplemental to and shall be read with and be deemed to be part of the Credit Agreement, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Credit Agreement and any agreements or documents entered into in connection with the Credit Agreement shall mean the Credit Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.

14. All the terms and conditions of the Credit Agreement, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

15. The Borrower agrees that it will execute such further assurances with respect to this Agreement and the Credit Agreement as may be required to evidence the true intent and meaning of this Agreement.

16. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

17. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Pages Follow]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to the Lender.

CALLIDUS CAPITAL CORPORATION

By: ______________________
Name: David Reese
Title: Chief Operating Officer

____
Name: James A. Riley
Title: Director and Secretary

We have authority to bind the Corporation.

We Acknowledge and Accept the terms and conditions of this Agreement this 17 day of June, 2014.

GRAY AQUA GROUP LIMITED

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

Name: ROBERT GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY'S AQUA MANAGEMENT LTD.

Name: TIM GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

BUTTER COVE AQUA FARM LTD.

Name: TIM GRAY
Title: PRES

Name:
Title:

I/We have authority to bind the Corporation

GOBLIN BAY AQUA FARM LTD.

Name: PRES. TIM GRAY
Title:

Name:
Title:

I/We have authority to bind the Corporation

JERVIS ISLAND AQUA FARM LTD.

Name: TIM GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

PASS-MY-CAN AQUA FARM LTD.

Name: TIM GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

608691 N.B. LTD.

Name:
Title: Director

Name:
Title:

I/We have authority to bind the Corporation

608672 N.B. LTD.

Name: TIM GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

608690 N.B. LTD.

Name: ROBERT GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608715 NB LIMITED

Name: ROBERT GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608716 NB LIMITED

Name: Jeff Gray
Title: Director

Name:
Title:

I/We have authority to bind the Corporation

M. GRAY HOLDINGS LTD.

Name: TIM GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

The undersigned hereby acknowledge and agree to the foregoing as of this 9 day of June, 2014.

Witness:	Jeffrey Gray
Witness:	Robert Gray
Witness:	Timothy Gray

CALLIDUS CAPITAL CORPORATION
Suite 4320, Royal Trust Tower
77 King Street West
Toronto, Ontario
M5K 1K2
Fax (416) 941-9876

Dated February 3, 2015

Gray Aqua Group Limited,
Gray Aqua Farms Ltd.,
Gray's Aqua Management Ltd.,
Butter Cove Aqua Farm Ltd.,
Goblin Bay Aqua Farm Ltd.,
Jervis Island Aqua Farm Ltd.,
Pass-My-Can Aqua Farm Ltd.,
608691 N.B. Ltd.,
608672 N.B. Ltd.,
608690 N.B. Ltd.,
608715 NB Limited,
608716 NB Limited,
M. Gray Holdings Ltd.,
Jeffrey Gray,
Robert Gray, and
Timothy Gray

-and -

Gray Aqua Processing Ltd.

Attention: Timothy Gray

Dear Sir:

Re: Callidus Capital Corporation (the "**Lender**") credit facilities with Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd. (collectively, the "**Borrower**") pursuant to a credit agreement dated as of December 11, 2013, as amended by agreement dated June 9, 2014 (collectively, the "**Credit Agreement**")

Further to our recent conversations, we confirm that you have asked the Lender to consider an extension to the Credit Agreement and an increase to the Facility B Loan. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Credit Agreement as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement):

1. From and after the date hereof, the Repayment Date as noted in Section 12 (a) of the Credit Agreement is hereby amended by replacing "September 15, 2014" with "January 31, 2016".

2. From and after the date hereof, the references to the principal amount of "Fourteen Million Dollars ($14,000,000)" in Sections 3(b) and 9(c) of the Credit Agreement in respect of the Facility B Loan are hereby increased to "Twenty-Three Million Dollars ($23,000,000)".

3. From and after the date hereof, Borrower shall include Gray Aqua Processing Ltd. ("**Processing**") on a joint and several basis and, forthwith on request therefor, Processing shall provide to the Lender a general security agreement together with such other security as may be required by the Lender in its sole discretion.

4. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement.

5. This Agreement is supplemental to and shall be read with and be deemed to be part of the Credit Agreement, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Credit Agreement and any agreements or documents entered into in connection with the Credit Agreement shall mean the Credit Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.

6. All the terms and conditions of the Credit Agreement, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

7. The Borrower agrees that it will execute such further assurances with respect to this Agreement and the Credit Agreement as may be required to evidence the true intent and meaning of this Agreement.

8. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

9. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Pages Follow]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to the Lender.

CALLIDUS CAPITAL CORPORATION

By: ______________________
Name: David Reese
Title: Chief Operating Officer

____
Name: James A. Riley
Title: Director and Secretary

We have authority to bind the Corporation.

We Acknowledge and Accept the terms and conditions of this Agreement this 5th day of February, 2015.

GRAY AQUA GROUP LIMITED

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

Name: ROBERT GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

GRAY'S AQUA MANAGEMENT LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

BUTTER COVE AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GOBLIN BAY AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

JERVIS ISLAND AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

PASS-MY-CAN AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608691 N.B. LTD.

Name:
Title:

Name: Jeff Gray
Title: Director

I/We have authority to bind the Corporation

608672 N.B. LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608690 N.B. LTD.

Name: ROBERT GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

608715 NB LIMITED INCORPORATED 2003 NEW BRUNSWICK

608715 NB LIMITED

Name: ROBERT GRAY
Title: PRES.

Name:
Title:

I/We have authority to bind the Corporation

608716 NB LIMITED INCORPORATED 2003 NEW BRUNSWICK

608716 NB LIMITED

Name:
Title:

Name: Jeff Gray
Title: Director

I/We have authority to bind the Corporation

M. GRAY HOLDINGS LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA PROCESSING LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title

I/We have authority to bind the Corporation.

The undersigned hereby acknowledge and agree to the foregoing as of this 5th day of February, 2015.

Witness: | Jeffrey Gray

Witness: | Robert Gray

Witness: | Timothy Gray

CALLIDUS CAPITAL CORPORATION
4620 - 181 Bay Street, P.O Box 792
Bay Wellington Tower, Brookfield Place
Toronto, Ontario, M5J 2T3
Fax (416) 941-9876

Dated August 14, 2015

Gray Aqua Group Limited,
Gray Aqua Farms Ltd.,
Gray's Aqua Management Ltd.,
Butter Cove Aqua Farm Ltd.,
Goblin Bay Aqua Farm Ltd.,
Jervis Island Aqua Farm Ltd.,
Pass-My-Can Aqua Farm Ltd.,
608691 N.B. Ltd.,
608672 N.B. Ltd.,
608690 N.B. Ltd.,
608715 NB Limited,
608716 NB Limited,
M. Gray Holdings Ltd.,
Gray Aqua Processing Ltd.,
Jeffrey Gray,
Robert Gray, and
Timothy Gray

Attention: Timothy Gray

Dear Sir:

Re: Callidus Capital Corporation (the "**Lender**") credit facilities with Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd. (collectively, the "**Borrower**") pursuant to a credit agreement dated as of December 11, 2013, s amended by agreements dated June 9, 2014 and February 3, 2015 (collectively, the "**Credit Agreement**")

Further to our recent conversations, we confirm that you have asked the Lender to consider a number of amendments to the Credit Agreement including the creation of a new demand revolving over advance facility and an increase to the Facility B Loan. In this regard, we confirm that the Lender has agreed to amend the terms and conditions of the Credit Agreement as follows (all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement):

1. From and after the date hereof, the references to the principal amount of "Twenty Three Million ($23,000,000)" in Sections 3(b) and 9(c) of the Credit Agreement in respect of the Facility B Loan are hereby increased to "Twenty Six Million Five Hundred Thousand Dollars ($26,500,000)".

2. From and after the date hereof, the Lender agrees to provide a demand revolving loan in the maximum principal amount Four Million Canadian Dollars ($4,000,000 Cdn.) (the "**Facility F Loan**" and together with the Facility A Loan, the Facility B Loan, the Facility C Loan, the Facility D Loan and the Facility E Loan, the "**Loan**"):

   (a) **Purpose:** The purpose of the Facility F Loan shall be to support temporary intermittent shortfalls of availability under the Facility B Loan.

   (b) **Interest:** Interest on the principal amount of the Facility F Loan outstanding from time to time shall be calculated at a rate of twenty-one percent (21%) per annum, which interest shall otherwise be calculated and payable in the same manner as provided for in Section 13 of the Credit Agreement.

   (c) **Security:** All present and future liabilities and obligations of the Borrower to the Lender under the Facility F Loan shall be secured by the Security Agreements.

   (d) **Advances:** The Facility F Loan shall be available by way of a multiple advances each at the sole discretion of the Lender from time to time and subject to the following conditions:

      i. all representations and warranties of the Borrower contained in the Security Agreements shall be true and correct on the date of each advance under the Facility F Loan;

      ii. the Borrower shall provide the Lender with a certificate certifying that all representations and warranties of the Borrower contained in the Security Agreements are true and correct as at the date of any advance under the Facility F Loan; and

      iii. no Event of Default shall have occurred.

3. Section 20(d) of the Credit Agreement is hereby deleted and replaced with the following:

   "The Lender shall apply amounts received from the Blocked Account to the Loan as follows: (i) firstly to the outstanding amount of the Facility F Loan; (ii) secondly to the outstanding amount of the Facility B Loan; and (iii) thirdly as the Lender may, in its discretion, determine."

4. In respect of the increase to the Facility B Loan, the Borrower shall pay a non-refundable facility fee of $35,000 on acceptance of this Agreement.

5. In respect of the Facility F Loan, the Borrower shall pay a non-refundable facility fee of \$40,000 on acceptance of this Agreement.

6. In consideration of the Lender providing the Facility F Loan, the Borrower agrees to forthwith and no later than 7 days after receipt of documentation from the Lender therefor, issue to the Lender a option/warrant agreement (the "**Warrant**") effective the date hereof in a form satisfactory to the Lender for 25% of the equity in the Borrower (on a fully diluted basis at the time of exercise) at an exercise price of \$1.00 expiring 30 days after the indefeasible repayment in full of the Loan (the "**Option**"). The Option, or the underlying shares related thereto, may be called by the Borrower (the "**Call**") on payment of an amount equal to the greater of: (i) 5 times forward twelve months EBITDA from July 1, 2015, calculated as at the date of Call; and (ii) an amount equal to a return to the Lender of 30% per annum based on the full utilization of the Facility F Loan from the date hereof to the earlier of: (i) the Repayment Date; and (ii) the date of the Call less interest and fees actually paid to the Lender in respect of actual utilization of the Facility F Loan to the date of payment of the Call (the "**Call Price**"). The Warrant, or the underlying shares related thereto, shall also contain a put option (the "**Put**") exercisable by the Lender at the Call Price at any time after the earliest of: (i) the Repayment Date; (ii) the prepayment of the Loan; and (iii) the occurrence of a Default. The amount payable in respect of the Put shall be secured by the Security Agreements. For the purposes of this Agreement, EBITDA shall mean, for any period, the net income (loss) for such period plus interest expense, unrealized foreign exchange losses, unusual or non-recurring losses, income tax expense, amortization expense, depreciation expense and expenses in respect of operating leases and minus unrealized foreign exchange gains, unusual or non-recurring gains, for such period, determined in accordance with GAAP and to the extent included in the determination of such net income (loss).

7. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement.

8. This Agreement is supplemental to and shall be read with and be deemed to be part of the Credit Agreement, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Credit Agreement and any agreements or documents entered into in connection with the Credit Agreement shall mean the Credit Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.

9. All the terms and conditions of the Credit Agreement, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

10. The Borrower agrees that it will execute such further assurances with respect to this Agreement and the Credit Agreement as may be required to evidence the true intent and meaning of this Agreement.

11. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

12. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

[Signature Pages Follow]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to the Lender.

CALLIDUS CAPITAL CORPORATION

By: ______________________________
Name: David Reese
Title: Chief Operating Officer

____
Name: James A. Riley
Title: Director and Secretary

We have authority to bind the Corporation.

We Acknowledge and Accept the terms and conditions of this Agreement this ____ day of August, 2015.

GRAY AQUA GROUP LIMITED

____
Name:
Title:

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Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

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Name:
Title:

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Name:
Title:

I/We have authority to bind the Corporation

GRAY'S AQUA MANAGEMENT LTD.

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Name:
Title:

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Name:
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I/We have authority to bind the Corporation

BUTTER COVE AQUA FARM LTD.

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Name:
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I/We have authority to bind the Corporation

GOBLIN BAY AQUA FARM LTD.

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I/We have authority to bind the Corporation

JERVIS ISLAND AQUA FARM LTD.

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I/We have authority to bind the Corporation

PASS-MY-CAN AQUA FARM LTD.

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I/We have authority to bind the Corporation

608691 N.B. LTD.

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I/We have authority to bind the Corporation

608672 N.B. LTD.

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I/We have authority to bind the Corporation

608690 N.B. LTD.

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I/We have authority to bind the Corporation

608715 NB LIMITED

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I/We have authority to bind the Corporation

608716 NB LIMITED

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I/We have authority to bind the Corporation

M. GRAY HOLDINGS LTD.

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I/We have authority to bind the Corporation

GRAY AQUA PROCESSING LTD.

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Name:
Title:

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Name:
Title:

I/We have authority to bind the Corporation

The undersigned hereby acknowledge and agree to the foregoing as of this day of August, 2015.

Witness:	Jeffrey Gray
Witness:	Robert Gray
Witness:	Timothy Gray

THIS IS EXHIBIT "R" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made the 11 day of December, 2013, BETWEEN: i) Callidus Capital Corporation (the "**Secured Party**"); and ii) each of 608672 N.B. Ltd., 608690 N.B. Ltd., 608691 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, and M. Gray Holdings Ltd. (collectively, the "**Borrowers**"; the Borrowers are sometimes hereinafter referred to as the "**Debtors**" and each a "**Debtor**");

RECITALS

WHEREAS:

A. The Secured Party entered into a loan agreement dated as of December 11, 2013 (the "**Credit Agreement**") with the Borrowers, among others; and

B. Each Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral (as hereinafter defined) to the Secured Party in order to secure the performance of its Obligations (as hereinafter defined) under the Credit Agreement;

NOW THEREFORE in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. **Interpretation**

(a). In this Agreement, in addition to the definitions set out in the recitals hereto and elsewhere herein, unless something in the subject matter or context is inconsistent therewith:

(i) "**Accounts**" means all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by each Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, demands, monies and choses in action or any part thereof, and shall include, without limitation, all "accounts" as defined in the Act;

(ii) "**Agreement**" means this agreement between the Secured Party and the Debtors, as may be amended, restated, replaced or supplemented from time to time.

(iii) "**Collateral**" has the meaning set out in Clause 2(a).

(iv) "**Debtor**" and the personal pronoun "it", "its" "they" or "their" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor or Debtors be bound alone or with others and whether as principal or surety;

(v) **"Event of Default"** means any of the events described as an "Event of Default" in the Credit Agreement, or, with respect to any Debtor, a failure on the part of such Debtor to pay, when required, any amount due to the Secured Party pursuant to the Guarantee.

(vi) The terms **"accessions"**, **"chattel paper"**, **"documents of title"**, **"goods"**, **"instruments"**, **"intangibles"**, **"inventory"**, **"money"**, **"proceeds"** and **"securities"** whenever used herein have the meanings given to those terms in the *Personal Property Security Act* (New Brunswick), as now enacted or as the same may from time to time be amended, re-enacted or replaced (the **"Act"**).

(b) Sections and Headings

The division of this Agreement into Clauses and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Clause or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to a Clause is to the Clauses of this Agreement.

(c) Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders, words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and references to the Agreement or any other agreement shall be to such agreement as it or they may be amended, restated, replaced or supplemented from time to time.

(d) Other Definitional Provisions

All terms capitalized and used in this Agreement that are not specifically defined herein shall have the meaning assigned to such terms in the Credit Agreement.

(e) Governing Law

This Agreement shall be governed by the laws of the Province of New Brunswick.

2. SECURITY INTEREST

(a) For consideration and as security for the payment and performance of the Obligations referred to in Clause 4, a general and continuing security interest is taken by the Secured Party, in each Debtor's present and after-acquired personal property and all proceeds thereof and each Debtor, subject to the exceptions set out in Clause 3, hereby mortgages, charges, assigns, transfers and grants to the Secured Party a general and continuing security interest in all of such Debtor's right, title and interest in and to all present and after acquired personal property and all proceeds thereof of whatever nature or kind and wheresoever situate (the "**Security Interest,**" and all property subject thereto is hereinafter collectively called the "**Collateral**" including, without limiting the foregoing, all Accounts, accessions, chattel paper, documents of title, goods, instruments, intangibles, inventory, money, securities and proceeds);

(b) The Security Interest shall rank in priority to all other interests in the Collateral subject only to the Permitted Encumbrances (as defined in the Credit Agreement, and hereinafter "**Permitted Encumbrances**").

3. EXCEPTIONS

(a) The last day of the term created by any lease or agreement therefor is hereby excepted out of the Security Interest but each Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct; and

(b) there shall be excluded from the Security Interest hereby created any consumer goods of the Debtors.

4. OBLIGATIONS SECURED

This Agreement and the Security Interest hereby created are: (a) in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by the Secured Party, or any affiliate thereof, from any of the Debtors or from any other person whomsoever; and (b) shall be general and continuing security for the payment of and satisfaction of, all of the present and future liabilities, obligations and indebtedness of the Debtors, jointly and severally, to the Secured Party, or any affiliate thereof, at any time, direct or indirect, absolute or contingent, matured or not in connection with or in relation to: (i) the Credit Agreement; and (ii) the due and punctual payment of any indebtedness due to the Secured Party when and as due and all other obligations of the Debtors, as applicable in respect of each Debtor, under the Credit Agreement, or any other document related to the Credit Agreement (all of which indebtedness and liability are hereinafter collectively called the "**Obligations**", which term includes any and all amendments, extensions or renewals, re-fundings or re-financings of any of the foregoing).

5. PROHIBITIONS

Without the prior written consent of the Secured Party, and other than Permitted Encumbrances, each Debtor shall not create or permit to exist any mortgage, charge, assignment or security interest in, charge, hypothec, encumbrance or lien over, or claim against any of the Collateral which ranks or could in any event rank in priority to or *pari passu* with any security interest created by this Agreement.

6. ATTACHMENT

Each Debtor acknowledges that value has been given and agrees that the Security Interest attaches upon the execution of this Agreement (or in the case of any after acquired property, upon the date of acquisition thereof). Each Debtor confirms it has rights, or in the case of after acquired property will have rights, in the applicable Collateral.

7. REPRESENTATIONS AND WARRANTIES

Each Debtor represents and warrants that:

(a) this Agreement is granted in accordance with a resolution of its directors and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of its obligations hereunder, legal, valid and binding;

(b) it lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only Permitted Encumbrances, and those consented to in writing by the Secured Party, and it has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;

(c) to the best of its knowledge and belief after due investigation, all books, records, documents, statements, reports and other writings and all other information provided by it to the Secured Party is true and accurate in all material respects; and

(d) to the best of its knowledge and belief after due investigation, all of its owned personal property capable of being identified by serial number under the Act in the financing statement to be registered on the Personal Property Registry is listed in **Schedule "A"** attached hereto.

8. COVENANTS OF THE DEBTOR

Each Debtor covenants that at all times while this Agreement remains in effect it will:

(a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;

(b) fully and effectually maintain and keep maintained the Security Interest valid and effective;

(c) maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require against all normal and insurable hazards with a loss payable endorsement in favour of the Secured Party;

(d) maintain the Collateral in good order and repair;

(e) forthwith pay:

(i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless such Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and

(ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to or *pari passu* with any security interest created by this Agreement, other than Permitted Encumbrances;

(f) forthwith pay all reasonable costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party or any affiliate thereof in:

(i) inspecting the Collateral;

(ii) negotiating, preparing, perfecting and registering this Agreement and other documents, whether or not relating to this Agreement;

(iii) investigating title to the Collateral;

(iv) taking, recovering, keeping possession of and insuring the Collateral; and

(v) all other actions and proceedings taken in connection with the preservation of the Collateral, the fulfillment of obligations under the Credit Agreement or any Loan Document and the enforcement of this Agreement and of any other security interest held by the Secured Party as security for the Obligations;

(g) at the Secured Party's request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party requires in order to confirm and perfect, and maintain perfection of, the Security Interest created in favour of the Secured Party upon any of the Collateral;

(h) notify the Secured Party promptly of:

(i) any change in the information contained herein relating to such Debtor, its address, its business or the Collateral including, without limitation, any change of name or address of such Debtor and any change in the present location of any Collateral; and

(ii) any material loss of or damage to the Collateral;

(i) prevent the Collateral, from being sold, leased, or otherwise disposed of other than as permitted under the Credit Agreement (which permits, inter alia, the disposition of inventory in the ordinary course of business and for the purpose of carrying on the same) and from being or becoming an accession to other property not covered by this Agreement or security granted pursuant to the Credit Agreement;

(j) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records related thereto for the purpose of inspection and render all assistance necessary for such inspection;

(k) carry on and conduct its business in a proper and businesslike manner, including maintenance of proper books of account and records; and

(l) deliver to the Secured Party from time to time promptly upon request:

 (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;

 (ii) all policies and certificates of insurance relating to the Collateral; and

 (iii) such information concerning the Collateral as the Secured Party may reasonably require.

9. PERFORMANCE OF OBLIGATIONS

If any Debtor fails to perform its Obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Secured Party, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtors, jointly and severally, to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Agreement.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(a) Except as herein provided, without the prior written consent of the Secured Party each Debtor will not:

 (i) sell, lease or otherwise dispose of the Collateral;

 (ii) release, surrender or abandon possession of the Collateral; or

 (iii) move or transfer the Collateral from its present location.

(b) Provided that each Debtor is not in default under this Agreement, at any time without the consent of the Secured Party, a Debtor may lease, sell, license, consign or otherwise deal with items of inventory in the ordinary course of business and for the purposes of carrying on its business.

11. DEFAULT

Upon the occurrence of an Event of Default (as defined in the Credit Agreement), each Debtor shall be in default under this Agreement.

12. ENFORCEMENT

(a) Upon an Event of Default or any default under this Agreement the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

(i) apply to court or a registrar in bankruptcy for the appointment, or appoint by instrument, a receiver, a receiver and manager or receiver-manager (the person so appointed is hereinafter called the "**Receiver**") of the Collateral, or any portion thereof, with or without bond as the Secured Party may determine or the court or registrar may direct, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;

(ii) enter upon any premises of a Debtor and take possession of the Collateral, or any portion thereof, with power to exclude the Debtors, their agents and their servants therefrom, without becoming liable as a mortgagee in possession;

(iii) preserve, protect and maintain the Collateral, or any portion thereof, and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;

(iv) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and

(v) exercise all of the rights and remedies of a secured party under the Act or otherwise available to a secured party at law or in equity.

(b) The Receiver, if privately appointed, shall be the agent of the applicable Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the applicable Debtor and for such purpose from time to time to borrow money on the security of any of the Collateral; such security interest may rank before or *pari passu* with or behind any security interest created by this Agreement, and if it does not so specify such security interest shall rank before the security interests created by this Agreement.

(c) Without prejudice to the ability of the Secured Party to dispose of the Collateral, or any portion thereof, in any commercially reasonable manner, each Debtor acknowledges that a disposition of the Collateral, or any portion thereof, by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

(i) the Collateral may be disposed of whether or not the Secured Party has taken possession thereof;

(ii) the Collateral may be disposed of in whole or in part;

(iii) the Collateral may be disposed of by public auction, public tender or private contract;

(iv) any purchaser or lessee of the Collateral may be a customer of or related person to the Secured Party;

(v) a disposition of the Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;

(vi) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and

(vii) the Secured Party may buy in, rescind or vary any contract for the disposition of the Collateral and may dispose of any Collateral again.

(d) All amounts realized from the disposition of Collateral pursuant to this Agreement will be applied as the Secured Party, in its absolute discretion, may direct in accordance with the Credit Agreement as follows:

(i) in payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Secured Party, the in connection with or incidental to:

(A) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Agreement; and

(B) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

(ii) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations; and

(iii) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

13. **DEFICIENCY**

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtors will immediately pay to the Secured Party the amount of such deficiency.

14. **RIGHTS CUMULATIVE**

All rights and remedies of the Secured Party set out in this Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between any Debtor and the Secured Party that may be in effect from time to time.

15. **LIABILITY OF SECURED PARTY**

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtors of any obligations or covenants imposed upon the Debtors nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provisions of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party or a Receiver than aforesaid.

16. **APPOINTMENT OF ATTORNEY**

Each Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of such Debtor for and in its name to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that such Debtor is obliged to sign, endorse or execute and generally to use the name of such Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Agreement.

17. **ACCOUNTS**

Notwithstanding any other provision of this Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times after an Event of Default, as may seem to it advisable, and without notice to the applicable Debtor, except in the case of disposition after an Event of Default and then subject to the provisions of Part V of the Act. After an Event of Default by any Debtor, all monies or other forms of payment received by a Debtor in payment of any Account will be received and held by such Debtor in trust for the Secured Party.

18. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

19. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of any Debtor to the Secured Party.

20. NOTICE

Notice may be given to any party by delivering the same in accordance with the Credit Agreement.

21. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with any Debtor, account debtors of any Debtor, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtors or any Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.

22. NO MERGER

This Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from any Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Agreement.

23. ASSIGNMENT

The Secured Party may, upon notice to the Debtors, at any time assign, transfer or grant a security interest in this Agreement and the security interests granted hereby. The Debtors expressly agree that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement and each Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Secured Party, in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

24. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by any of the Debtors to be indebted to the Secured Party shall be deemed not to be a redemption or discharge of this Agreement. The Debtors shall be entitled to a release and discharge of this Agreement upon: i) full payment and satisfaction of all Obligations; ii) written request by the Debtors; iii) payment of legal fees and disbursements (on a solicitor and his own client basis) incurred by the Secured Party in connection with the Obligations; and iv) payment of such reasonable release and discharge fee to be fixed by the Secured Party. No release or discharge shall be effective unless in writing and signed by the Secured Party.

25. ENUREMENT

This Agreement shall enure to the benefit of the Secured Party, or any successor or assign thereof, and shall be binding upon the successors and permitted assigns of each Debtor.

26. ADDITIONAL DEBTORS

Any corporation that is a subsidiary of the Borrowers may become a Debtor hereunder and a party hereto by executing a supplement to this Agreement with the Secured Party.

27. ENTIRE AGREEMENT

This Agreement has been entered into pursuant to the provisions of the Credit Agreement and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement, the rights and obligations of the parties will be governed by the provisions of the Credit Agreement. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and any Debtor with respect to the subject matter hereof except as expressly set forth herein, in the Credit Agreement or any document required or necessary to give effect to the provision of the Credit Agreement.

28. AMENDMENTS AND WAIVERS

This Agreement shall be construed as a separate agreement with respect to each Debtor and may be amended, modified, supplemented, waived or released with respect to any Debtor without the approval of any other Debtor and without affecting the obligations of any other Debtor hereunder. The obligations of each Debtor hereunder shall be absolute, unconditional and irrevocable irrespective of any lack of validity, legality or enforceability of this Agreement as against any Debtor or other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any other Debtor. No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Secured Party and any Debtor to whom the amendment applies. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

29. SEVERABILITY

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

30. COPY OF AGREEMENT

Each Debtor hereby acknowledges receiving a copy of this Agreement and waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

[The remainder of this page has been intentionally left blank. Signature page follows.]

[Signature page to General Security Agreement executed by undersigned]

IN WITNESS WHEREOF each Debtor has executed this Agreement the day and year first above written.

608672 N.B. Ltd.

Per: ____________________

608690 N.B. Ltd.

Per: ____________________

608691 N.B. Ltd.

Per: ____________________

608715 NB Limited

Per: ____________________

608716 NB Limited

Per: ____________________

M. Gray Holdings Ltd.

Per: ____________________

[*Balance of page left intentionally blank*]

SCHEDULE "A"

Personal Property to be identified by serial number:

THIS IS EXHIBIT "S" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

GENERAL SECURITY AGREEMENT

THIS AGREEMENT is made the 17 day of September, 2014, BETWEEN: i) Callidus Capital Corporation (the "**Secured Party**"); and, ii) each of Gray Aqua Group Ltd., Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., Gray Aqua Processing Ltd., Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., and Pass-My-Can Aqua Farms Ltd., (collectively, the "**Borrowers**"; the Borrowers are sometimes hereinafter referred to as the "**Debtors**" and each a "**Debtor**");

RECITALS

WHEREAS:

A. Each of the Debtors are bound by the terms and conditions of the credit agreement dated as of December 11, 2013 (the "**Credit Agreement**") entered into with the Secured Party; and

B. Each Debtor has agreed to grant a security interest and assignment, mortgage and charge in the Collateral (as hereinafter defined) to the Secured Party in order to secure the performance of its Obligations (as hereinafter defined) under the Credit Agreement;

NOW THEREFORE in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. **Interpretation**

(a). In this Agreement, in addition to the definitions set out in the recitals hereto and elsewhere herein, unless something in the subject matter or context is inconsistent therewith:

(i) "**Accounts**" means all debts, accounts, claims, demands, monies and choses in action which now are, or which may at any time hereafter be, due or owing to or owned by each Debtor and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the said debts, accounts, claims, demands, monies and choses in action or any part thereof, and shall include, without limitation, all "accounts" as defined in the Act;

(ii) "**Agreement**" means this agreement between the Secured Party and the Debtors, as may be amended, restated, replaced or supplemented from time to time.

(iii) "**Collateral**" has the meaning set out in Clause 2(a).

(iv) "**Debtor**" and the personal pronoun "it", "its" "they" or "their" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Debtor or Debtors be bound alone or with others and whether as principal or surety;

(v) **"Event of Default"** means any of the events described as an "Event of Default" in the Credit Agreement, or, with respect to any Debtor, a failure on the part of such Debtor to pay, when required, any amount due to the Secured Party pursuant to the Guarantee.

(vi) The terms **"accessions"**, **"chattel paper"**, **"documents of title"**, **"goods"**, **"instruments"**, **"intangibles"**, **"inventory"**, **"money"**, **"proceeds"** and **"securities"** whenever used herein have the meanings given to those terms in the *Personal Property Security Act* (New Brunswick), as now enacted or as the same may from time to time be amended, re-enacted or replaced (the **"Act"**).

(b) Sections and Headings

The division of this Agreement into Clauses and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Clause or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to a Clause is to the Clauses of this Agreement.

(c) Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders, words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and references to the Agreement or any other agreement shall be to such agreement as it or they may be amended, restated, replaced or supplemented from time to time.

(d) Other Definitional Provisions

All terms capitalized and used in this Agreement that are not specifically defined herein shall have the meaning assigned to such terms in the Credit Agreement.

(e) Governing Law

This Agreement shall be governed by the laws of the Province of New Brunswick.

2. SECURITY INTEREST

(a) For consideration and as security for the payment and performance of the Obligations referred to in Clause 4, a general and continuing security interest is taken by the Secured Party, in each Debtor's present and after-acquired personal property and all proceeds thereof and each Debtor, subject to the exceptions set out in Clause 3, hereby mortgages, charges, assigns, transfers and grants to the Secured Party a general and continuing security interest in all of such Debtor's right, title and interest in and to all present and after acquired personal property and all proceeds thereof of whatever nature or kind and wheresoever situate (the "**Security Interest**," and all property subject thereto is hereinafter collectively called the "**Collateral**" including, without limiting the foregoing, all Accounts, accessions, chattel paper, documents of title, goods, instruments, intangibles, inventory, money, securities and proceeds);

(b) The Security Interest shall rank in priority to all other interests in the Collateral subject only to the Permitted Encumbrances (as defined in the Credit Agreement, and hereinafter "**Permitted Encumbrances**").

3. EXCEPTIONS

(a) The last day of the term created by any lease or agreement therefor is hereby excepted out of the Security Interest but each Debtor shall stand possessed of the reversion thereby remaining upon trust to assign and dispose thereof to any third party as the Secured Party shall direct; and

(b) there shall be excluded from the Security Interest hereby created any consumer goods of the Debtors.

4. OBLIGATIONS SECURED

This Agreement and the Security Interest hereby created are: (a) in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by the Secured Party, or any affiliate thereof, from any of the Debtors or from any other person whomsoever; and (b) shall be general and continuing security for the payment of and satisfaction of, all of the present and future liabilities, obligations and indebtedness of the Debtors, jointly and severally, to the Secured Party, or any affiliate thereof, at any time, direct or indirect, absolute or contingent, matured or not in connection with or in relation to: (i) the Credit Agreement; and (ii) the due and punctual payment of any indebtedness due to the Secured Party when and as due and all other obligations of the Debtors, as applicable in respect of each Debtor, including under the Credit Agreement, or any other document related to the Credit Agreement (all of which indebtedness and liability are hereinafter collectively called the "**Obligations**", which term includes any and all amendments, extensions or renewals, re-fundings or re-financings of any of the foregoing).

5. PROHIBITIONS

Without the prior written consent of the Secured Party, and other than Permitted Encumbrances, each Debtor shall not create or permit to exist any mortgage, charge, assignment or security interest in, charge, hypothec, encumbrance or lien over, or claim against any of the Collateral which ranks or could in any event rank in priority to or *pari passu* with any security interest created by this Agreement.

6. ATTACHMENT

Each Debtor acknowledges that value has been given and agrees that the Security Interest attaches upon the execution of this Agreement (or in the case of any after acquired property, upon the date of acquisition thereof). Each Debtor confirms it has rights, or in the case of after acquired property will have rights, in the applicable Collateral.

7. REPRESENTATIONS AND WARRANTIES

Each Debtor represents and warrants that:

(a) this Agreement is granted in accordance with a resolution of its directors and all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of its obligations hereunder, legal, valid and binding;

(b) it lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens and claims, save only Permitted Encumbrances, and those consented to in writing by the Secured Party, and it has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;

(c) to the best of its knowledge and belief after due investigation, all books, records, documents, statements, reports and other writings and all other information provided by it to the Secured Party is true and accurate in all material respects; and

(d) to the best of its knowledge and belief after due investigation, all of its owned personal property capable of being identified by serial number under the Act in the financing statement to be registered on the Personal Property Registry having a value in excess of $25,000.00 is listed in **Schedule "A"** attached hereto. **[NTD: Confirm if this threshold is satisfactory]**

8. COVENANTS OF THE DEBTOR

Each Debtor covenants that at all times while this Agreement remains in effect it will:

(a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;

(b) fully and effectually maintain and keep maintained the Security Interest valid and effective;

(c) maintain insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require against all normal and insurable hazards with a loss payable endorsement in favour of the Secured Party;

(d) maintain the Collateral in good order and repair;

(e) forthwith pay:

(i) all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon it or the Collateral when due, unless such Debtor shall in good faith contest its obligations so to pay and shall furnish such security as the Secured Party may require; and

(ii) all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to or *pari passu* with any security interest created by this Agreement, other than Permitted Encumbrances;

(f) forthwith pay all reasonable costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Secured Party, the Lenders or any affiliate thereof in:

(i) inspecting the Collateral;

(ii) negotiating, preparing, perfecting and registering this Agreement and other documents, whether or not relating to this Agreement;

(iii) investigating title to the Collateral;

(iv) taking, recovering, keeping possession of and insuring the Collateral; and

(v) all other actions and proceedings taken in connection with the preservation of the Collateral, the fulfillment of obligations under the Credit Agreement or any Loan Document and the enforcement of this Agreement and of any other security interest held by the Secured Party as security for the Obligations;

(g) at the Secured Party's request at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party requires in order to confirm and perfect, and maintain perfection of, the Security Interest created in favour of the Secured Party upon any of the Collateral;

(h) notify the Secured Party promptly of:

(i) any change in the information contained herein relating to such Debtor, its address, its business or the Collateral including, without limitation, any change of name or address of such Debtor and any change in the present location of any Collateral; and

(ii) any material loss of or damage to the Collateral;

(i) prevent the Collateral, from being sold, leased, or otherwise disposed of other than as permitted under the Credit Agreement (which permits, inter alia, the disposition of inventory in the ordinary course of business and for the purpose of carrying on the same) and from being or becoming an accession to other property not covered by this Agreement or security granted pursuant to the Credit Agreement;

(j) permit the Secured Party and its representatives, at all reasonable times, access to all its property, assets and undertakings and to all its books of account and records related thereto for the purpose of inspection and render all assistance necessary for such inspection;

(k) carry on and conduct its business in a proper and businesslike manner, including maintenance of proper books of account and records; and

(l) deliver to the Secured Party from time to time promptly upon request:

(i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to Collateral;

(ii) all policies and certificates of insurance relating to the Collateral; and

(iii) such information concerning the Collateral as the Secured Party may reasonably require.

9. PERFORMANCE OF OBLIGATIONS

If any Debtor fails to perform its Obligations hereunder, the Secured Party may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Secured Party, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Debtors, jointly and severally, to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon and security interest in the Collateral in favour of the Secured Party prior to all claims subsequent to this Agreement.

10. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

(a) Except as herein provided, without the prior written consent of the Secured Party each Debtor will not:

(i) sell, lease or otherwise dispose of the Collateral;

(ii) release, surrender or abandon possession of the Collateral; or

(iii) move or transfer the Collateral from its present location.

(b) Provided that each Debtor is not in default under this Agreement, at any time without the consent of the Secured Party, a Debtor may lease, sell, license, consign or otherwise deal with items of inventory in the ordinary course of business and for the purposes of carrying on its business.

11. DEFAULT

Upon the occurrence of an Event of Default (as defined in the Credit Agreement), each Debtor shall be in default under this Agreement.

12. ENFORCEMENT

(a) Upon an Event of Default or any default under this Agreement the Secured Party may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the security constituted by this Agreement the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Secured Party may do any of the following:

(i) apply to court or a registrar in bankruptcy for the appointment, or appoint by instrument, a receiver, a receiver and manager or receiver-manager (the person so appointed is hereinafter called the "**Receiver**") of the Collateral, or any portion thereof, with or without bond as the Secured Party may determine or the court or registrar may direct, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;

(ii) enter upon any premises of a Debtor and take possession of the Collateral, or any portion thereof, with power to exclude the Debtors, their agents and their servants therefrom, without becoming liable as a mortgagee in possession;

(iii) preserve, protect and maintain the Collateral, or any portion thereof, and make such replacements thereof and repairs and additions thereto as the Secured Party may deem advisable;

(iv) sell, lease or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale is on credit the Debtor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received; and

(v) exercise all of the rights and remedies of a secured party under the Act or otherwise available to a secured party at law or in equity.

(b) The Receiver, if privately appointed, shall be the agent of the applicable Debtor and not of the Secured Party and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Secured Party hereunder, and in addition shall have power to carry on the business of the applicable Debtor and for such purpose from time to time to borrow money on the security of any of the Collateral; such security interest may rank before or *pari* *passu* with or behind any security interest created by this Agreement, and if it does not so specify such security interest shall rank before the security interests created by this Agreement.

(c) Without prejudice to the ability of the Secured Party to dispose of the Collateral, or any portion thereof, in any commercially reasonable manner, each Debtor acknowledges that a disposition of the Collateral, or any portion thereof, by the Secured Party which takes place substantially in accordance with the following provisions shall be deemed to be commercially reasonable:

(i) the Collateral may be disposed of whether or not the Secured Party has taken possession thereof;

(ii) the Collateral may be disposed of in whole or in part;

(iii) the Collateral may be disposed of by public auction, public tender or private contract;

(iv) any purchaser or lessee of the Collateral may be a customer of or related person to the Secured Party;

(v) a disposition of the Collateral may be on such terms and conditions as to credit, deferred payment or otherwise as the Secured Party, in its sole discretion, may deem advantageous;

(vi) the Secured Party may establish an upset or reserve bid or price in respect of the Collateral; and

(vii) the Secured Party may buy in, rescind or vary any contract for the disposition of the Collateral and may dispose of any Collateral again.

(d) All amounts realized from the disposition of Collateral pursuant to this Agreement will be applied as the Secured Party, in its absolute discretion, may direct in accordance with the Credit Agreement as follows:

(i) in payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Secured Party, the in connection with or incidental to:

(A) the exercise by the Secured Party of all or any of the powers granted to it pursuant to this Agreement; and

(B) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

(ii) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations; and

(iii) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus will be paid to the Debtor.

13. DEFICIENCY

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtors will immediately pay to the Secured Party the amount of such deficiency.

14. RIGHTS CUMULATIVE

All rights and remedies of the Secured Party set out in this Agreement are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future security agreement now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between any Debtor and the Secured Party that may be in effect from time to time.

15. LIABILITY OF SECURED PARTY

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as herein provided, nor shall the Secured Party be liable to account as mortgagee in possession or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe or perform or to see to the observance or performance by the Debtors of any obligations or covenants imposed upon the Debtors nor shall the Secured Party, in the case of securities, instruments or chattel paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor hereby waives any applicable provisions of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party or a Receiver than aforesaid.

16. APPOINTMENT OF ATTORNEY

Each Debtor hereby irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of such Debtor for and in its name to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that such Debtor is obliged to sign, endorse or execute and generally to use the name of such Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, pursuant to this Agreement.

17. ACCOUNTS

Notwithstanding any other provision of this Agreement, the Secured Party may collect, realize, sell or otherwise deal with the Accounts or any part thereof in such manner, upon such terms and conditions and at such time or times after an Event of Default, as may seem to it advisable, and without notice to the applicable Debtor, except in the case of disposition after an Event of Default and then subject to the provisions of Part V of the Act. After an Event of Default by any Debtor, all monies or other forms of payment received by a Debtor in payment of any Account will be received and held by such Debtor in trust for the Secured Party.

18. APPROPRIATION OF PAYMENTS

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

19. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of any Debtor to the Secured Party.

20. NOTICE

Notice may be given to any party by delivering the same in accordance with the Credit Agreement.

21. EXTENSIONS

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with any Debtor, account debtors of any Debtor, sureties and others and with the Collateral and other security interests as the Secured Party may see fit without prejudice to the liability of the Debtors or any Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.

22. NO MERGER

This Agreement shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Secured Party from any Debtor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Agreement.

23. ASSIGNMENT

The Secured Party may, upon notice to the Debtors, at any time assign, transfer or grant a security interest in this Agreement and the security interests granted hereby. The Debtors expressly agree that the assignee, transferee or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement and each Debtor will not assert any defense, counterclaim, right of set-off or otherwise any claim which it now has or hereafter acquires against the Secured Party, in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

24. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by any of the Debtors to be indebted to the Secured Party shall be deemed not to be a redemption or discharge of this Agreement. The Debtors shall be entitled to a release and discharge of this Agreement upon: i) full payment and satisfaction of all Obligations; ii) written request by the Debtors; iii) payment of legal fees and disbursements (on a solicitor and his own client basis) incurred by the Secured Party in connection with the Obligations; and iv) payment of such reasonable release and discharge fee to be fixed by the Secured Party. No release or discharge shall be effective unless in writing and signed by the Secured Party.

25. ENUREMENT

This Agreement shall enure to the benefit of the Secured Party, successor or assign thereof, and shall be binding upon the successors and permitted assigns of each Debtor.

26. ADDITIONAL DEBTORS

Any corporation that is a subsidiary of the Borrowers may become a Debtor hereunder and a party hereto by: (i) executing a supplement to this Agreement with the Secured Party; and (ii) becoming a Guarantor (as such term is defined in the Guarantee) under the Guarantee by complying with the requirements set out in the Guarantee.

27. ENTIRE AGREEMENT

This Agreement has been entered into pursuant to the provisions of the Credit Agreement and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Credit Agreement, the rights and obligations of the parties will be governed by the provisions of the Credit Agreement. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and any Debtor with respect to the subject matter hereof except as expressly set forth herein, in the Credit Agreement or any document required contemplated by the Credit Agreement.

28. AMENDMENTS AND WAIVERS

This Agreement shall be construed as a separate agreement with respect to each Debtor and may be amended, modified, supplemented, waived or released with respect to any Debtor without the approval of any other Debtor and without affecting the obligations of any other Debtor hereunder. The obligations of each Debtor hereunder shall be absolute, unconditional and irrevocable irrespective of any lack of validity, legality or enforceability of this Agreement as against any Debtor or other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, any other Debtor. No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Secured Party and any Debtor to whom the amendment applies. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

29. SEVERABILITY

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

30. COPY OF AGREEMENT

Each Debtor hereby acknowledges receiving a copy of this Agreement and waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

[The remainder of this page has been intentionally left blank. Signature page follows.]

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[Signature page to General Security Agreement executed by undersigned]

IN WITNESS WHEREOF each Debtor has executed this Agreement the day and year first above written.

Gray Aqua Group Ltd.	**Gray's Aqua Management Ltd.**
Per: ______________________	Per: ______________________
Gray Aqua Farms Ltd.	**Gray Aqua Processing Ltd.**
Per: ______________________	Per: ______________________
Butter Cove Aqua Farms Ltd	**Goblin Bay Aqua Farms Ltd.**
Per: ______________________	Per: ______________________
Jervis Island Aqua Farms Ltd.	**Pass-My-Can Aqua Farms Ltd.**
Per: ______________________	Per: ______________________

GRAY'S AQUA MANAGEMENT LTD. INCORPORATED 1999 NEW BRUNSWICK

GRAY AQUA PROCESSING LTD. INCORPORATED 2010 NEWFOUNDLAND

[Balance of page left intentionally blank]

SCHEDULE "A"

Personal Property to be identified by serial number:

THIS IS EXHIBIT "T" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

REPLY TO: SAM RAPPOS
FILE NO.: 54516
DIRECT: 416-218-1137
FAX: 416-218-1837
EMAIL: samr@chaitons.com

PRIVATE & CONFIDENTIAL

April 4, 2016

DELIVERED

Gray Aqua Group Limited
and the other Borrowers listed on Schedule "A" hereto
3801 Route 105
Northampton, NB E7N 1C7

Attention: Timothy Gray

Re: Callidus Capital Corporation (the "Lender") credit facilities with Gray Aqua Group Ltd. et al (collectively, the "Borrower") pursuant to a Credit Agreement dated as of December 11, 2013, as amended by agreements dated June 9, 2014 and February 3, 2015 (the "Credit Agreement")

Dear Sir,

We are the lawyers for the Lender. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

According to our client's records, the Borrower is indebted to the Lender pursuant to the Credit Agreement. The aggregate outstanding balance owing under the Credit Agreement as of April 1, 2016 is $54,987,322.59 for principal, interest and fees, plus costs as follows:

Facility A Loan Balance	$1,484,280.88
Facility B Loan Balance	$39,068,517.73
Facility C Loan Balance	$2,058,333.26
Facility C Amortization	$-1,165,880.00
Facility D Loan Balance	$7,574,911.72
Facility E Loan Balance	$269,676.31
Facility F Loan Balance	$4,000,000.35
Fee	$1,697,482.34
TOTAL:	**$54,987,322.59**

Additional interest accrues at the rates payable under the Credit Agreement until the date of actual payment.

The Borrower's indebtedness to the Lender is payable on demand and is secured by (collectively, the "**Security**"), among other things, a general security agreement granted by each Borrower in favour of the Lender, along with leasehold mortgages, vessel mortgages, share pledge agreements, assignments of life insurance policies, and an assignment of material contracts granted by certain of the Borrower in favour of the Lender, together with

Chaitons LLP

certain security documents granted by the Borrower in favour of HSBC Bank Canada and assigned to the Lender.

We are advised by our client that the Borrower is in default of the terms of the Credit Agreement as a result of: (i) the occurrence of Material Adverse Changes due to a crop failure as a result of sea lice that led to a borrowing base default in August 2015, which borrowing base default continues to date, and due to the destruction of approximately 380,000 smolt in the Hatchery Facility due to bacterial kidney disease in March 2015; and (ii) the Borrower's failure to repay the Loan in full by the Repayment Date of January 31, 2016.

As a result of the foregoing, the Lender hereby declares the entire amount of the indebtedness of the Borrower to the Lender under the Credit Agreement to be immediately due and payable. Unless the total amount owing as aforesaid together with additional interest accrued and fees and legal costs actually incurred to the date of payment or satisfactory arrangements therefor are made forthwith, the Lender shall take such steps as it deems necessary or advisable to recover payment of the Borrower's indebtedness in full, without further demand upon or notice to the Borrower. Such steps may include enforcement of its Security.

Enclosed please find the Lender's Notice of Intention to Enforce Security and consent to enforcement, which is served upon the Borrower pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (Canada).

Govern yourself accordingly.

Yours truly,
CHAITONS LLP

Sam Rappos
LAWYER
Encl.

Cc: *Callidus Capital Corporation* (via e-mail)

5000 YONGE STREET, 10TH FLOOR, TORONTO, CANADA M2N 7E9
www.chaitons.com

Chaitons LLP

SCHEDULE "A"

Gray Aqua Farms Ltd.
Gray's Aqua Management Ltd.
Butter Cove Aqua Farm Ltd.
Goblin Bay Aqua Farm Ltd.
Jervis Island Aqua Farm Ltd.
Pass-My-Can Aqua Farm Ltd.
608691 N.B. Ltd.
608672 N.B. Ltd.
608690 N.B. Ltd.
608715 NB Limited
608716 NB Limited
M. Gray Holdings Ltd.
Gray Aqua Processing Ltd.

NOTICE OF INTENTION TO ENFORCE A SECURITY
(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)

TO: Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd., and Gray Aqua Processing Ltd., each an insolvent person (collectively, the "**Borrower**")

TAKE NOTICE THAT:

1. **CALLIDUS CAPITAL CORPORATION** (the "**Lender**"), a secured creditor, intends to enforce its security on all of the present and after-acquired property of the Borrower.

2. The security that is to be enforced includes, *inter alia*, a General Security Agreement dated December 11, 2013 granted in favour of the Lender, a General Security Agreement dated September 17, 2014 granted in favour of the Lender, and the other documents listed on **Schedule "A"** attached hereto (collectively, the "**Security**").

3. The total amount of indebtedness secured by the Security as at April 1, 2016 is $54,987,322.59 for principal, interest and fees, plus costs, which is exclusive of additional interest accrued and fees, costs and other amounts actually incurred to the date of payment.

4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement by signing the Consent attached hereto as **Schedule "B"**.

DATED at Toronto, this 4th day of April, 2016.

CALLIDUS CAPITAL CORPORATION
by its solicitors Chaitons LLP

Per: Sam Rappos

SCHEDULE "A"

1. General Security Agreement granted by 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, and M. Gray Holdings Ltd. dated December 11, 2013

2. General Security Agreement granted by Gray Aqua Group Limited, Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd. and Gray Aqua Processing Ltd. dated September 17, 2014

3. Leasehold Collateral Mortgage granted by Gray Aqua Farms Ltd. dated September 17, 2014

4. Leasehold Collateral Mortgage granted by Gray's Aqua Management Ltd. dated September 17, 2014

5. Vessel Mortgage granted by Gray Aqua Group Ltd. dated September 17, 2014 re The Walter Gray

6. Vessel Mortgage granted by Gray Aqua Group Ltd. dated September 17, 2014 re The Atlantic Harvester II

7. Share Pledge Agreements granted by 608691 N.B. Ltd., 608690 N.B. Ltd., 608672 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, and M. Gray Holdings Ltd. each dated December 11, 2013

8. Share Pledge Agreements granted by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., each dated September 17, 2014

9. Agreement Respecting Assignment of Life Insurance Policy granted by Gray Aqua Group Ltd. dated September 17, 2014 re Timothy Gray

10. Agreement Respecting Assignment of Life Insurance Policy granted by Gray Aqua Group Ltd. dated September 17, 2014 re Robert Gray

11. Agreement Respecting Assignment of Life Insurance Policy granted by Gray Aqua Group Ltd. dated September 17, 2014 re Jeffrey Gray

12. Assignment of Material Contracts granted by the Borrower dated September 17, 2014

13. Various security documents granted in favour of HSBC Bank Canada and assigned to Callidus Capital Corporation pursuant to Assignment Agreement dated December 11, 2013

SCHEDULE "B"

TO: **Callidus Capital Corporation (the "Lender")**

AND TO: **Chaitons LLP**

RE: **Indebtedness of Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd., and Gray Aqua Processing Ltd., each an insolvent person (collectively, the "Borrower") to the Lender**

The undersigned Borrower hereby: (a) consents to the immediate enforcement of the Security referred to in the attached Notice of Intention to Enforce Security dated April 4, 2016; (b) waives its right to the ten (10) day notice period provided under Section 244 of the *Bankruptcy and Insolvency Act* (Canada); and (c) consents to the Court-appointment of a receiver over all of the Borrower's property, assets and undertakings.

Dated this ___ day of April, 2016.

GRAY AQUA GROUP LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

GRAY'S AQUA MANAGEMENT LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

BUTTER COVE AQUA FARM LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

JERVIS ISLAND AQUA FARM LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

GOBLIN BAY AQUA FARM LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

PASS-MY-CAN AQUA FARM LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

608691 N.B. LTD

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

608672 N.B. LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

608690 N.B. LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

608715 NB LIMITED

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

608716 NB LIMITED

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

M. GRAY HOLDINGS LTD.

Name:
Title:

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA PROCEEDING LTD.

Name:
Title:

Name:
title:

I/We have authority to bind the Corporation

THIS IS EXHIBIT "U" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

SCHEDULE "B"

TO: **Callidus Capital Corporation (the "Lender")**

AND TO: **Chaitons LLP**

RE: **Indebtedness of Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Butter Cove Aqua Farm Ltd., Goblin Bay Aqua Farm Ltd., Jervis Island Aqua Farm Ltd., Pass-My-Can Aqua Farm Ltd., 608691 N.B. Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608715 NB Limited, 608716 NB Limited, M. Gray Holdings Ltd., and Gray Aqua Processing Ltd., each an insolvent person (collectively, the "Borrower") to the Lender**

The undersigned Borrower hereby: (a) consents to the immediate enforcement of the Security referred to in the attached Notice of Intention to Enforce Security dated April 4, 2016; (b) waives its right to the ten (10) day notice period provided under Section 244 of the *Bankruptcy and Insolvency Act* (Canada); and (c) consents to the Court-appointment of a receiver over all of the Borrower's property, assets and undertakings.

Dated this 8th day of April, 2016.

GRAY AQUA GROUP LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA FARMS LTD.

Name: ROBERT GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY'S AQUA MANAGEMENT LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

BUTTER COVE AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT.

Name:
Title:

I/We have authority to bind the Corporation

JERVIS ISLAND AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GOBLIN BAY AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

PASS-MY-CAN AQUA FARM LTD.

Name: TIM GRAY
Title: PRESIDENT.

Name:
Title:

I/We have authority to bind the Corporation

608691 N.B. LTD

Name: Jeff Gray
Title: President

Name:
Title:

I/We have authority to bind the Corporation

608672 N.B. LTD.

Name: TIM GRAY
Title: PRESIDENT.

Name:
Title:

I/We have authority to bind the Corporation

608690 N.B. LTD.

Name: ROBERT GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608715 NB LIMITED

Name: ROBERT GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

608716 NB LIMITED

Name: Jeff Gray
Title: President

Name:
Title:

I/We have authority to bind the Corporation

M. GRAY HOLDINGS LTD.

Name: TIM GRAY
Title: PRESIDENT

Name:
Title:

I/We have authority to bind the Corporation

GRAY AQUA PROCEEDING LTD.

Name: TIM GRAY
Title: PRESIDENT.

Name:
title:

I/We have authority to bind the Corporation

THIS IS EXHIBIT "V" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

PPSA Search Results

NEW BRUNSWICK

Gray Aqua Group Ltd.

1. Financing Statement registered as Number 19295823 on 2010-09-24 by Gray Aqua Group Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2020-09-24 and having the following general collateral description:

"For consideration the Borrower hereby:

(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank, and grants to the Bank a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

(i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");

(ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");

(iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

(iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;

(v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is collectively called the "Intellectual Property");

(vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;

(vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and

(viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;

(b) grants to the Bank a general and continuing security interest and charges by way of a floating charge:

(i) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Bank created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

Schedule "A"

Sub- clause 1.1(a):

The following specific items, even though they may be included within the descriptions of Collateral:

3" Heavy Duty Braided Suction/Discharge Hose/Orange Helix
The following serial numbered goods:
AGE 100MT Towable Feeder, Serial Number AEG-TF100-1003

Location of the Collateral:
Moncton, New Brunswick, St. Andrews, New Brunswick and Conne River, Newfoundland and Labrador."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
AEGTF1001003	Motor Vehicle	AEG 100MT Towable Feeder

2. Financing Statement registered as Number 19295880 on 2010-09-24 by Gray Aqua Group Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2020-09-24 and having the following general collateral description:

"For consideration the Borrower hereby:

(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank, and grants to the Bank a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

(i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");

(ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");

(iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

(iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;

(v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is collectively called the "Intellectual Property");

(vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;

(vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and

(viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;

(b) grants to the Bank a general and continuing security interest and charges by way of a floating charge:

(i) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Bank created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

Schedule "A"

Sub- clause 1.1(a):

The following specific items, even though they may be included within the descriptions of Collateral:

All present and after acquired personal property and all proceeds therefrom excepting consumer goods

The following serial numbered goods:

Location of the Collateral:
Moncton, New Brunswick, St. Andrews, New Brunswick and Conne River, Newfoundland and Labrador."

3. Financing Statement registered as Number 20077277 on 2011-05-11, amended by Number 20086179 on 2011-05-12 and by Number 23859895 on 2013-12-17, renewed as Number 27008119 on 2016-02-15, by Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-05-11 and having the following general collateral description:

   "THIS ANNEX IS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 04 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. LIMITED AND HSBC BANK CANADA SUPPLIER PROMENS SAINT JOHN INC. INVOICE NO. 20396 MOORING BUOY CB110, CB2000 INVOICE NO. 20481 MOORING BUOY CB110 SUPPLIER MEDUCTIC WELDING INVOICE NO. 4452 3/4" MATERIAL CUT AND BENT FOR LARGE ANCHORS SUPPLIER NORTH ATLANTIC MARINE SUPPLIES INVOICE NO. IN031114 CHAIN GRADE 2 OPEN LINK 3/4" 90 FT INVOICE NO. IN031293 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN031294 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN030353 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT SUPPLIER NORTHERN HARVEST SERVICES INVOICE NO. 231 100M SMOLTS X 27' DEEP 11-10003, ANTLFOULANT, 100M BIRD COVERS 10-10025"

4. Financing Statement registered as Number 20470233 on 2011-08-16 by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Blue Chip Leasing Corporation, as Secured Party, expiring on 2017-08-16 and having the following general collateral description:

   "ALL EQUIPMENT LEASED BY THE DEBTOR TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR

INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF. INCLUDING, BUT NOT LIMITED TO ONE D50-250 TOYOTA DIESEL POWER UNIT IN CRASH FRAME INCLUDES 150FT HOSE KIT AND FITTINGS, ONE MPI TERMINATOR 3 HEAD NET WASHER COMPLETE WITH JETS, COMPLETE WITH ALL ATTCHMENTS AND ACCESSORIES."

5. Financing Statement registered as Number 20678231 on 2011-10-11, amended by Number 23859929 on 2013-12-17 and renewed as Number 27008184 on 2016-02-15, by Gray Aqua Group Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-10-11 and having the following general collateral description:

   "SUPPLIER - INNOVATIVE PRESSURE SYSTEMS INC. INVOICE NO. 57184 1 MPI NET WASHING SYSTEM INCLUDING- HPS2200 IN FULL INCLOSURE AS SHOWN 230L PM AT 320 BAR TERMINATOR 7 NETWASHER JETTED TO RUN ON HPS2200 SEA FREIGHT"

6. Financing Statement registered as Number 20826665 on 2011-11-17, amended by Number 23859937 on 2013-12-17, by Gray Aqua Group Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor."

7. Financing Statement registered as Number 20826731 on 2011-11-17 amended by Number 23785363 on 2013-11-25 and by Number 23859911 on 2013-12-17, by Timothy Rhodes Gray, Robert Frederick Gray, Jeffrey Walter Gray, Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., 608712 NB Limited, 608715 NB Limited, 608716 NB Limited and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by each of the Debtors to Gray Aqua Group Ltd.
   Added by registration Number 23785363
   Please disregard the above General Collateral entry, added by 20826731.
   The revised General Collateral entry should read as follows:
   Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by Gray Aqua Group Ltd. to the Debtors."

8. Financing Statement registered as Number 20867214 on 2011-11-29, amended by Number 23859945 on 2013-12-17 and renewed as Number 27008192 on 2016-

02-15, by Gray Aqua Group Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-29 and having the following general collateral description:

> *"SUPPLIER - NORTHERN HARVEST SERVICES INC. INVOICE NO. 232 14 100 M SMOLTS X 27' DEEP 11-10003 14 ANTIFOULANT 14 100M BIRD COVERS 10-10025 15 100M MARKET NETS X 37' DEEP 11-10008 15 100M BIRD COVERS 10-10015 9 100M MARKET X 37' DEEP 11-10011 13 100M BIRD COVERS 11-10015"*

9. Financing Statement registered as Number 20905964 on 2011-12-09, amended by Number 23859952 on 2013-12-17, by Gray Aqua Group Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-12-09 and having the following general collateral description:

> *"SUPPLIER - MERCADO 2 2011 PALFINGER CRANE COMPLETE WITH WINCH MODEL: PK12000B, S/N: 100134276, 100131237 1 2011 PALFINGER CRANE COMPLETE WITH WINCH MODEL: PK10000. S/N: 100131238 SUPPLIER - ODD GRYDELAND CONSULTING INVOICE NO - OGC1115 1 SOTRA STAINLESS STEEL ELECTRIC FISH STUNNER WITH CONTROL PANEL AND 1 SOTRA STAINLESS STEEL CONVEYOR WITH SUPPORT STAND SUPPLIER - NORTHERN HARVEST SERVICES INC. INVOICE NO - 486 4 100M MARKETS X37' DEEP 11-10011"*

10. Financing Statement registered as Number 21046982 on 2012-01-20, amended by Number 23859978 on 2013-12-17, by Gray Aqua Group Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-01-20 and having the following general collateral description:

> *"SUPPLIER - GRAY AQUA GROUP LTD. 2 AUTOMATIC FEEDING SYSTEMS SUPPLER – OCEANSIDE EQUIPMENT LIMITED INVOICE NO. 67331 12096 LBS/14 COILS P/N 8-8" SDAN BLUE ROPE 4060 LBS/4 COILS P/N 8-8" SDAN ROPE 36 EACH P/N 6-2-1/2GT THIMBLES 36 EACH P/N 6-1-1/2" ML MASTER LINKS INVOICE NO. 67516 60 SHOTS X 90' P/N 6-1-1/8 G20L CHAIN 5 EACH P/N 6-2-1/2 GT THIMBLES 60 EACH P/N 6-1-1/2" ML MASTER LINKS 2030 LBS/2 COILS P/N 8-8" SDAN ROPE 1728 LBS/2 COILS P/N 8-8" SDAN BLUE ROPE SUPPLIER - INNOVATIVE PRESSURE SYSTEMS INC. INVOICE NO. 57192 2 IPS 110V 2 SPEED RADIO CONTROLLED WINCHES FREIGHT SUPPLIER - SEAFOOD INNOVATIONS CANADA INVOICE NO. 2220 3 SI7 E STUN&BLEED FLOW THROUGH COMBO UNIT 1 SI7 COMBO ACCESSORY KIT 1 SI7 COMBO SPARE PARTS KIT-BASIC 1 SI7 MANUAL FEED TABLE-STAINLESS STEEL FREIGHT CHARGES"*

11. Financing Statement registered as Number 21163050 on 2012-02-27, amended by number 23860000 on 2013-12-17, by Gray Aqua Group Ltd. and Gray Aqua Group

Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-02-27 and having the following general collateral description:

> *"SUPPLIER - EAGLE LEASING INC. INVOICE NO - 3903 1 1997 EAGLE CRAFT 12 PASSENGER WATER TAXI. HULL # ZVG00465G797, VESSEL LICENCE # C04737BC 2009 VOLVO MOTOR D-6330.S/N: 2006036935 SUPPLIER - CAN-AM MARINE TRANSPORT INC. TRANSPORTATION"*

12. Financing Statement registered as Number 24837700 on 2014-08-26 by Gray Aqua Group Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

> "All of the Debtor's present and after acquired personal property and all proceeds thereof."

13. Financing Statement registered as Number 19699982 on 2011-01-25, amended as Number 23859853 on 2013-12-17, by Gray Aqua Farms Ltd./Gray Aqua Group Ltd., Gray Aqua Farms Ltd./Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-01-25 and having the following general collateral description:

> *"THIS EQUIPMENT DESCRIPTION FORMS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 02 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. AND HSBC BANK CANADA NEW SALMON CAGES WITH PIPES, NETS, BIRD STANDS, BIRD NETS AND ACCESSORIES AS FURTHER DESCRIBED ON THE ATTACHED INVOICES: SUPPLIER – NORTH ATLANTIC MARINE SUPPLIES & SERVICES INVOICE NO. IN029564, IN 029566, IN029586, IN029784, IN029780, IN029905, IN029591, IN029590 SUPPLIER - OXFORD PLASTICS INC. INVOICE 46067 SUPPLIER - MARITIME INDUSTRIAL RUBBER INVOICE NO. 0000005539, 0000005754 SUPPLIER - GO DEEP INTERNATIONAL INC. INVOICE NO. 537198, 537089 SUPPLIER – ENTREPRISES SHIPPAGAN LTEE INVOICE NO. 1747596 SUPPLIER - FUTURE NETS & SUPPLIES LTD. INVOICE NO. 11321, 10991 SUPPLIER - HYNES HOLDINGS INC INVOICE NO. 42647, 42616, 42759 SUPPLIER - CONNE RIVER BUILDING SUPPLIES INVOICE NO. 137401 SUPPLIER - NEWFOUNDLAND STYRO INC. INVOICE NO. 21517 SUPPLIER - FALCON EQUIPMENT LTD. INVOICE NO. 115000215 SUPPLIER - MEDUCTIC WELDING INVOICE NO. 4353, 4312 SUPPLIER - PRISM TRANSPORT LTD INVOICE NO. 13529, 13535, 13548 SUPPLIER - NEWFOUNDLAND AQUA SERVICES LTD INVOICE NO. 3335, 3389, 3388 SUPPLIER - RUSSEL METAL INC. INVOICE NO. 04301474, 04301438, 05168709, 04304805, 02792263, 04304879, 04304882 SUPPLIER - EASY KLEEN PRESSURE SYSTEMS LTD INVOICE NO. 40095 SUPPLIER - GRAYBAR CANADA INVOICE NO. 3244400-00 SUPPLIER - DAWE'S MECHANICAL INVOICE NO. 189050 SUPPLIER - CARLETON INDUSTRIAL SUPPLY LTD. INVOICE NO. 695213-01 SUPPLIER - PROMENS SAINT JOHN INC. INVOICE NO. 19996 SUPPLIER -*

UNITED RENTALS INVOICE NO. 89588405-001 SUPPLIER - BATTLEFIELD EQUIPMENT RENTALS INVOICE NO. 650073217"

14. Financing Statement registered as Number 24910275 on 2014-09-12 by Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-12 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
345865	Boat	The Walter Gray
837030	Boat	Atlantic Harvester II
833898	Boat	Elizabeth Jane I
835988	Boat	K.C.
821802	Boat	Dylan B

15. Financing Statement registered as Number 25721747 on 2015-04-24 by Gray Aqua Group Ltd., as Debtors, in favour of Snow Island Salmon Inc., as Secured Party, expiring on 2017-04-24 and having the following and having the following general collateral description:

"Supplier - MG48 barge together with all attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all proceeds in any form derived directly or indirectly from any dealing with the collateral or proceeds thereof, including, but not limited to, cash, money, cheques, deposits in deposit-taking institutions, goods, accounts receivable, chattel paper, instruments, intangibles, documents of title, securities, rights of insurance payments or any other payments as indemnity or compensation for loss or damage to the collateral or the proceeds of collateral."

16. Financing Statement registered as Number 25768557 on 2015-05-04 by Gray Aqua Group Ltd., as Debtors, in favour of 047759 N.B. Ltd., as Secured Party, expiring on 2025-05-04 and having the following general collateral description:

"A security interest is taken in all of the debtor's present and after acquired shares in the capital of 628228 N.B. Incorporated.

Proceeds: all goods, documents of title, chattel papers, securities, instruments, monies or intangibles now or hereafter forming proceeds of the foregoing collateral."

17. Financing Statement registered as Number 26032086 on 2015-06-25 by Robert Frederick Gray and Gray Aqua Group Ltd., as Debtors, in favour of Toyota Credit Canada Inc., as Secured Party, expiring on 2019-06-25 and having the following and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description

5TFUY5F12FX468321	Motor Vehicle	2015 Toyota Tundra 4x4

18. Financing Statement registered as Number 26357616 on 2015-09-02 by Jeffrey W. Gray, Timothy R. Gray, Robert F. Gray and Gray Aqua Group Ltd., as Debtors, in favour of Harbouredge Commercial Finance Corporation, as Secured Party, expiring on 2018-09-02 and having the following and having the following general collateral description:

    "ONE 1999 GRADALL 534D6-42 TELESCOPIC FORKLIFT, SERIAL #0668027 AND ALL ATTACHMENTS, ACCESSORIES, REPLACEMENTS OR SUBSTITUTIONS."

19. Financing Statement registered as Number 26428730 on 2015-09-18 by Timothy Rhodes Gray and Gray Aqua Group Ltd., as Debtors, in favour of Toyota Credit Canada Inc., as Secured Party, expiring on 2020-09-18 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
2T1BURHE8FC476836	Motor Vehicle	2015 Toyota Corolla

20. Financing Statement registered as Number 27002849 on 2016-02-12, by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-02-12 and having the following general collateral description:

    "This equipment description forms an integral part of master lease number 233095 Schedule 01 between Gray Aqua farms Ltd./Gray Aqua Group Ltd. and HSBC Bank Canada New Salmon Cages with pipes, nets, bird stands, bird nets and accessories as further described on the attached invoices: Supplier - Oxford Invoice # 45396, 45397, 45489, 45498, 45961, 45963, 45891, 45437, 45896 Supplier - Badinotti North America Invoice # 2015, 2010R Supplier - NF Styro Invoice # 20955, 21046 Supplier - NA Marine Invoice # 28292 Supplier - Future Nets Invoice # 11079, 10967, 10990 Supplier - Prism Transport Invoice # 12373, 12398, 13085, 13052 Supplier - Cards Aquaculture Invoice # 4190 Supplier - North Atlantic Marine Invoice # IN025554, IN025551, IN025850, IN025844, IN026498, IN026503, IN029033, IN029034, IN029035.

    and having the following Additional Information:

    HSBC Bank Canada assigned, inter alia, the collateral listed in the general description collateral herein to the Secured Party by Assignment Agreement dated December 11, 2013.

This registration is a re-registration of a financing statement registered on 2010-10-18 as Number 19379684."

21. Financing Statement registered as Number 25921008 on 2015-06-03, by Timothy Rhodes Gray and Gray Aqua Group Ltd., as Debtors, in favour of Ford Credit Canada Leasing, A Division Of Canadian Road Leasing Company, as Secured Party, expiring on 2019-06-03 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1FTEW1EF0FFA91512	Motor Vehicle	2015 Ford F150

Gray's Aqua Management Ltd.

1. Financing Statement registered as Number 20824371 on 2011-11-16, as amended by Number 23860018 on 2013-12-17, by Gray's Aqua Management Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-16 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor."

2. Financing Statement registered as Number 20826731 on 2011-11-17, amended as Number 23785363 on 2013-11-25 and by Number 23859911 on 2013-12-17, by Timothy Rhodes Gray, Robert Frederick Gray, Jeffrey Walter Gray, Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., 608712 NB Limited, 608715 NB Limited, 608716 NB Limited, Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by each of the Debtors to Gray Aqua Group Ltd.
   Added by registration Number 23785363
   Please disregard the above General Collateral entry, added by 20826731.
   The revised General Collateral entry should read as follows:
   Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by Gray Aqua Group Ltd. to the Debtors."

3. Financing Statement registered as Number 24837346 on 2014-08-26 by Gray's Aqua Management Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

"All of the Debtor's present and after acquired personal property and all proceeds thereof."

Gray Aqua Farms Ltd.

1. Financing Statement registered as Number 17243007 on 2009-03-10, by Gray Aqua Farms Ltd. as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-03-10 and having the following general collateral description:

"1. SECURITY INTEREST
(You, as the Borrower, will grant to the Bank a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking. These charges are the security the Bank will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Borrower hereby:
(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank, and grants to the Bank a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

(i) all office, trade, manufacturing and all other equipment and all goods, including, without limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");

(ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");

(iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

(iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;

(v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is collectively called the "Intellectual Property");

(vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;

(vii) the personal property described in Schedule "A" attached to this Agreement and all additions thereto and replacements thereof; and

(viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;

(b) grants to the Bank a general and continuing security interest and charges by way of a floating charge:

(i) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Bank created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement."

2. Financing Statement registered as Number 19070648 on 2010-07-27 by Gray Aqua Farms Ltd., as Debtor, in favour of Roynat Inc., as Secured Party, expiring on 2016-07-27 and having the following general collateral description:

"VACCINATION MACHINE(S), ANASTHETIC SYSTEM(S), DOSE SET(S), TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

3. Financing Statement registered as Number 19645878 on 2011-01-06 by Gray Aqua Farms Ltd., as Debtor, in favour of Capital Underwriters Inc., as Secured Party, expiring on 2017-01-06 and having the following general collateral description:

   "ONE (1) AQUA-LIFE FISH PUMP, MODEL 1614 S/N 190 AND ONE (1) KSF FISH PUMP MODEL KSF4 AND ONE (1) AQUASCAN FISH COUNTER TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE,
   SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

4. Financing Statement registered as Number 19769892 on 2011-02-17 by Gray Aqua Farms Ltd., as Debtor, in favour of Capital Underwriters Inc., as Secured Party, expiring on 2017-02-17 and having the following general collateral description:

   "TWO (2) 2011 AQUA SONAR FISH SIZING SONAR UNITS S/N 041 AND 042 TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS
   OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

5. Financing Statement registered as Number 20019808 on 2011-04-28, by Gray Aqua Farms Ltd., as Debtor, in favour of Capital Underwriters Inc., as Secured Party, expiring on 2017-04-28 and having the following general collateral description:

   "VARIOUS FISHING EQUIPMENT LOCATED IN CONN RIVER, NFLD INCLUDING ONE (1) 2009 SILVER DOLPHIN STAND UP CABIN BOAT S/N QTN036BHI909 , ONE (1) 2011 SILVER DOLPHIN BOW RIDER BOAT S/N QTN118FJD111 TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

   and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
QTN118FJD111	Boat	2011 Silver Dolphin Bow Rider Boat
QTN036BHI909	Boat	2009 Silver Dolphin Stand Up Cabin Boat

6. Financing Statement registered as Number 20077277 on 2011-05-11, amended by Number 20086179 on 2011-05-12 and by Number 23859895 on 2013-12-17, renewed as Number 27008119 on 2016-02-15, by Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-05-11 and having the following general collateral description:

   "THIS ANNEX IS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 04 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. LIMITED AND HSBC BANK CANADA SUPPLIER PROMENS SAINT JOHN INC. INVOICE NO. 20396 MOORING BUOY CB110, CB2000 INVOICE NO. 20481 MOORING BUOY CB110 SUPPLIER MEDUCTIC WELDING INVOICE NO. 4452 3/4" MATERIAL CUT AND BENT FOR LARGE ANCHORS SUPPLIER NORTH ATLANTIC MARINE SUPPLIES INVOICE NO. IN031114 CHAIN GRADE 2 OPEN LINK 3/4" 90 FT INVOICE NO. IN031293 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN031294 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN030353 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT SUPPLIER NORTHERN HARVEST SERVICES INVOICE NO. 231 100M

SMOLTS X 27' DEEP 11-10003, ANTLFOULANT, 100M BIRD COVERS 10-10025"

7. Financing Statement registered as Number 20103289 on 2011-05-17 by Gray Aqua Farms Ltd., as Debtor, in favour of Wells Fargo Equipment Finance Company, as Secured Party, expiring on 2016-05-17 and having the following general collateral description:

   "1 NEW TRANSCRAFT FLATBED TRAILER TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION OR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

   and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1TTF483C6C3607501	Trailer	2012 Transcraft Tridem

8. Financing Statement registered as Number 20152948 on 2011-05-30 by Gray Aqua Farms Ltd., as Debtor, in favour of TD Equipment Finance Canada Inc., as Secured Party, expiring on 2016-05-30 and having the following general collateral description:

   "ONE (1) 1995 CUSTOM BUILT 48'X16'X4' STEEL POWERED SCOW S/N 1995SCOW COMPLETE WITH CUMMINGS MODEL 210 MOTOR, NEW EXHAUST AND HYDRAULIC PUMP LOCATED IN CONN RIVER NFLD TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE,
   SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERA [sic]"

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1995SCOW	Boat	1995 Custom Steel Powered Scow

9. Financing Statement registered as Number 20470233 on 2011-08-16 by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Blue Chip Leasing Corporation, as Secured Party, expiring on 2017-08-16 and having the following general collateral description:

   "ALL EQUIPMENT LEASED BY THE DEBTOR TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF. INCLUDING, BUT NOT LIMITED TO ONE D50-250 TOYOTA DIESEL POWER UNIT IN CRASH FRAME INCLUDES 150FT HOSE KIT AND FITTINGS, ONE MPI TERMINATOR 3 HEAD NET WASHER COMPLETE WITH JETS, COMPLETE WITH ALL ATTCHMENTS AND ACCESSORIES."

10. Financing Statement registered as Number 20567657 on 2011-09-09 by Gray Aqua Farms Ltd., as Debtor, in favour of De Lage Landen Financial Services Canada Inc., as Secured Party, expiring on 2016-09-09 and having the following general collateral description:

   "ALL GOODS SUPPLIED BY THE SECURED PARTY TO THE DEBTOR, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE FOREGOING. PROCEEDS: GOODS, CHATTEL PAPER, SECURITIES, MONEY, CROPS, LICENCES AND INTANGIBLES."

   and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
MM0050	Motor Vehicle	2011 Doosan G30p5lp

11. Financing Statement registered as Number 20605812 on 2011-09-20, renewed as Number 24682791 on 2014-07-21 and amended by Number 26969162 on 2016-02-03, by Gray Aqua Farms Ltd., as Debtor, in favour of Bank of Montreal, as Secured Party, expiring on 2018-09-20 and having the following general collateral description:

   "The goods described herein, wherever situated, and all present and after-acquired intellectual property, intangibles, attachments, accessories and

accessions thereto and spare parts, replacements, substitutions, exchanges and trade-ins therefor, and all rights, receivables and chattel paper derived from or evidencing the lease or rental thereof by the Debtor to third parties, and all proceeds relating thereto. Proceeds: all of the Debtor's present and after-acquired personal property which is derived directly or indirectly from any dealing with or disposition of the above-described collateral, including, without limiting the generality of the foregoing, all insurance and other payments payable as indemnity or compensation for loss or damage thereto and all chattel paper, documents of title, goods, instruments, intangibles, money and securities."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1HTWGAAT5AJ288570	Motor Vehicle	2010 International 7400 6X4

12. Financing Statement registered as Number 20826251 on 2011-11-17, and amended by Number 23859903 on 2013-12-17, by Gray Aqua Farms Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

    "A security interest is taken in all present and after acquired personal property of the Debtor and all proceed therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor."

13. Financing Statement registered as Number 20826731 on 2011-11-17, amended by Number 23785363 on 2013-11-25 and by Number 23859911 on 2013-12-17, by Timothy Rhodes Gray, Robert Frederick Gray, Jeffrey Walter Gray, Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., 608712 NB Limited, 608715 NB Limited, 608716 NB Limited and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

    "Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by each of the Debtors to Gray Aqua Group Ltd.
    Added by registration Number 23785363
    Please disregard the above General Collateral entry, added by 20826731.
    The revised General Collateral entry should read as follows:
    Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by Gray Aqua Group Ltd. to the Debtors."

14. Financing Statement registered as Number 21466008 on 2012-05-11, renewed as Number 22719066 on 2013-03-15 by Gray Aqua Farms Ltd., as Debtor, in favour of

Business Development Bank of Canada, as Secured Party, expiring on 2030-05-11 and having the following general collateral description:

1. SECURITY INTEREST
(You, as the Borrower, will grant to the Bank a charge, referred to as a security interest, over all personal property now held or in the future held or acquired by you. You will also grant a charge, referred to as a floating charge, over your complete undertaking . These charges are the security the Bank will hold in consideration of lending you funds or providing the credit facility to you.)

1.1 For consideration the Borrower hereby:

(a) mortgages and charges as a fixed and specific charge, and assigns and transfers to the Bank, and grants to the Bank a general and continuing security interest in all of the Borrower's present and after acquired personal property including, without limitation:

(i) all office, trade, manufacturing and all other equipment and all goods, including, without
limitation, machinery, tools, fixtures, computers, furniture, furnishings, chattels, motor vehicles and other tangible personal property that is not Inventory, and all parts, components, attachments, accessories, accessions, replacements, substitutions, additions and improvements to any of the above (all of which is collectively called the "Equipment");
(ii) all inventory, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in process, finished goods, returned goods, repossessed goods, all livestock and their young after conception, all crops and timber, and all packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing (all of which is collectively called the "Inventory");

(iii) all debts, accounts, claims, demands, moneys and choses in action which now are, or which may at any time be, due or owing to or owned by the Borrower and all books, records, documents, papers and electronically recorded data recording, evidencing or relating to the debts, accounts, claims, demands, moneys and choses in action (all of which is collectively called the "Accounts");

(iv) all documents of title, chattel paper, instruments, securities and money, and all other personal property, of the Borrower that is not Equipment, Inventory or Accounts;

(v) all patents, trade-marks, copyrights, industrial designs, plant breeder's rights, integrated circuit topographies, trade-names, goodwill, confidential information, trade secrets and know-how, including without limitation, environmental technology and bio-technology, software and any registrations and applications for registration of the foregoing and all other intellectual and industrial property of the Borrower (all of which is collectively called the "Intellectual Property");

(vi) all the Borrower's contractual rights, licenses and all other choses in action of every kind which now are, or which may at any time be due or owing to or owned by the Borrower, and all other intangible property of the Borrower, that is not Accounts, chattel paper, instruments, documents of title, Intellectual Property, securities or money;

(vii) the personal property described herein and all additions thereto and replacements thereof; and described as " All presently owned and after acquired equipment and goods located on the property at 3801 Route 105, Northampton, NB E7N 1C7."

(viii) all proceeds of every nature and kind arising from the personal property referred to in this Security Agreement;

(b) grants to the Bank a general and continuing security interest and charges by way of a floating charge:

(i) all of the undertaking and assets of the Borrower, of every nature or kind and wherever situate, whether presently owned or hereafter acquired, and all their proceeds, other than its assets and undertakings that are otherwise validly and effectively subject to the charges and security interests in favour of the Bank created pursuant to this Clause 1.1.

1.2 The security interests, mortgages, transfers, assignments, charges, grants and conveyances created pursuant to Clause 1.1 shall be collectively called the "Security Interests", and the property subject to the Security Interests and all property, assets and undertaking charged, assigned or transferred or secured by any instruments supplemental to or in implementation of this Security Agreement are collectively called the "Collateral".

1.3 The schedules, including definitions, form part of this Security Agreement.

15. Financing Statement registered as Number 24837320 on 2014-08-26 by Gray Aqua Farms Ltd., as Debtor, in favour of Business Development Bank of Canada, as

Secured Party, expiring on 2024-08-26 and having the following general collateral description:

> *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

16. Financing Statement registered as Number 19659457 on 2011-01-11, renewed as Number 24325722 on 2014-05-05, by Gray Aqua Farms Ltd, as Debtor, in favour of Mercado Capital Corporation, Div. of Westminister Savings Credit Union, as Secured Party, expiring on 2019-01-11 and having the following general collateral description:

> *"TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."*

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
N7C472186	Motor Vehicle	2007 CASE 580SM Backhoe

17. Financing Statement registered as Number 20729232 on 2011-10-25, by Gray Aqua Farms Ltd, as Debtor, in favour of Roynat Inc., as Secured Party, expiring on 2016-10-25 and having the following general collateral description:

> *"COMPRESSOR(S) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"*

18. Financing Statement registered as Number 20736310 on 2011-10-26, amended as Number 23927213 on 2014-01-13, by Timothy Rhodes Gray and Gray Aqua Farms Ltd, as Debtors, in favour of Bank of Nova Scotia – Atlantic CAU, as Secured Party expiring on 2016-10-26 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1ftex1emxbkd61388	Motor Vehicle	2011 Ford F150

19. Financing Statement registered as Number 21157458 on 2012-02-24 by Gray Aqua Farms Ltd, as Debtor, in favour of Ford Credit Canada Limited, as Secured Party, expiring on 2018-02-24 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1FTFW1EF3CFA46595	Motor Vehicle	2012d F150

20. Financing Statement registered as Number 21157466 on 2012-02-24, by Gray Aqua Farms Ltd, as Debtor, in favour of Ford Credit Canada Limited, as Secured Party, expiring on 2018-02-24 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1FTFW1EFXCKD07955	Motor Vehicle	2012 Ford F150

21. Financing Statement registered as Number 19699982 on 2011-01-25, amended by Number 23859853 on 2013-12-17, by Gray Aqua Farms Ltd./Gray Aqua Group Ltd., Gray Aqua Farms Ltd./Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-01-25 and having the following general collateral description:

> *"THIS EQUIPMENT DESCRIPTION FORMS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 02 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. AND HSBC BANK CANADA NEW SALMON CAGES WITH PIPES, NETS, BIRD STANDS, BIRD NETS AND ACCESSORIES AS FURTHER DESCRIBED ON THE ATTACHED INVOICES: SUPPLIER – NORTH ATLANTIC MARINE SUPPLIES & SERVICES INVOICE NO. IN029564, IN 029566, IN029586, IN029784, IN029780, IN029905, IN029591, IN029590 SUPPLIER - OXFORD PLASTICS INC. INVOICE 46067 SUPPLIER - MARITIME INDUSTRIAL RUBBER INVOICE NO. 0000005539, 0000005754 SUPPLIER - GO DEEP INTERNATIONAL INC. INVOICE NO. 537198, 537089 SUPPLIER – ENTREPRISES SHIPPAGAN LTEE INVOICE NO. 1747596 SUPPLIER - FUTURE NETS & SUPPLIES LTD. INVOICE NO. 11321, 10991 SUPPLIER - HYNES HOLDINGS INC INVOICE NO. 42647, 42616, 42759 SUPPLIER - CONNE RIVER BUILDING SUPPLIES INVOICE NO. 137401 SUPPLIER - NEWFOUNDLAND STYRO INC. INVOICE NO. 21517 SUPPLIER - FALCON EQUIPMENT LTD. INVOICE NO. 115000215 SUPPLIER - MEDUCTIC WELDING INVOICE NO. 4353, 4312 SUPPLIER - PRISM TRANSPORT LTD INVOICE NO. 13529, 13535, 13548 SUPPLIER - NEWFOUNDLAND AQUA SERVICES LTD INVOICE NO. 3335, 3389, 3388 SUPPLIER - RUSSEL METAL INC. INVOICE NO. 04301474, 04301438, 05168709, 04304805,*

02792263, 04304879, 04304882 SUPPLIER - EASY KLEEN PRESSURE SYSTEMS LTD INVOICE NO. 40095 SUPPLIER - GRAYBAR CANADA INVOICE NO. 3244400-00 SUPPLIER - DAWE'S MECHANICAL INVOICE NO. 189050 SUPPLIER - CARLETON INDUSTRIAL SUPPLY LTD. INVOICE NO. 695213-01 SUPPLIER - PROMENS SAINT JOHN INC. INVOICE NO. 19996 SUPPLIER - UNITED RENTALS INVOICE NO. 89588405-001 SUPPLIER – BATTLEFIELD EQUIPMENT RENTALS INVOICE NO. 650073217"

22. Financing Statement registered as Number 25880626 on 2015-05-27, amended by Number 25880667 on 2015-05-27, by Gray Aqua Farms Ltd., as Debtors, in favour of Snow Island Salmon Inc., as Secured Party, expiring on 2017-05-27 and having the following general collateral description:

> *"1980 K.D. Smith & Son Boatbuilders Limited Carvel/Flush Boat Official No. 395615*
> *1999 Cape Egmont Enterprises Ltd. Carvel/Flush Wooden Fishing Boat Official No. 819907*
> *Barret Skiffs Boat*
>
> *Added by registration number 25880667*
> *General Collateral of Registration# 25880626 to be deleted and replaced by the following:*
> *Supplier - The fishing vessel MV BRIAN & AMANDA Official No. 395615, the fishing vessel MV THE MINNIE MEL Official No. 819907 and 2 BARRETT BUILT SKIFFS together with all gear, attachments, accessories, accessions, replacements, substitutions, additions and improvements thereto, and all proceeds in any form derived directly or indirectly from any dealing with the collateral or proceeds thereof, including, but not limited to, cash, money, cheques, deposits in deposit-taking institutions, goods, accounts receivable, chattel paper, instruments, intangibles, documents of title, securities, rights of insurance payments or any other payments as indemnity or compensation for loss or damage to the collateral or the proceeds of collateral."*

and having the following serial numbered collateral description:

Serial Number	Collate	Description
395615	Boat	K.D. Smith & Son Boatbuilders
819907	Boat	Cape Egmont Enterprises

23. Financing Statement registered as Number 26082537 on 2015-07-07, by Gray Aqua Farms Ltd., as Debtors, in favour of Kelly Cove Salmon Ltd., as Secured Party, expiring on 2016-07-07 and having the following general collateral description:

> *"ANY AND ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO ALL PARR AND SMOLT IN ANY FORM AND AT ANY STAGE OF THE GROWTH CYCLE THEREOF, PURSUANT TO THAT CERTAIN SMOLT GROW-OUT AGREEMENT MADE EFFECTIVE THE 3rd DAY OF JULY, 2015 BETWEEN THE SECURED PARTY AND THE DEBTOR, INCLUDING ALL PROCEEDS THEREOF IN ANY FORM OF PERSONAL PROPERTY."*

24. Financing Statement registered as Number 26450890 on 2015-09-24, by Gray Aqua Farms Ltd., as Debtors, in favour of Snow Island Salmon Inc., as Secured Party, expiring on 2017-09-24 and having the following general collateral description:

> *"Purchase Money Security Interest in the following: ONE MG30 barge, ONE Yakamoto Scale, Four pipe band aids,*
> *Two YSI Oxy Guards, One Tohatsu 50HP outboard motor, Two set of Idema net*
> *washing heads with 24HP sprayer, Three 500KG IAS feeders, One Barret built box skiff ALSO One Mercury 60HP outboard motor, and all proceeds thereof."*

25. Financing Statement registered as Number 26818807 on 2015-12-17, by Gray Aqua Farms Ltd., as Debtors, in favour of Kelly Cove Salmon Ltd., as Secured Party, expiring on 2016-12-17 and having the following general collateral description:

> *"ANY AND ALL OF THE DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO ALL PARR AND SMOLT IN ANY FORM AND AT ANY STAGE OF THE GROWTH CYCLE THEREOF, PURSUANT TO THAT CERTAIN SMOLT GROW-OUT AGREEMENT MADE EFFECTIVE THE 16th DAY OF DECEMBER, 2015 BETWEEN THE SECURED PARTY AND THE DEBTOR, INCLUDING ALL PROCEEDS THEREOF IN ANY FORM OF PERSONAL PROPERTY."*

26. Financing Statement registered as Number 27002849 on 2016-02-12, by Gray Aqua Farms Ltd. Gray Aqua Group Ltd., Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-02-12 and having the following general collateral description:

> *"This equipment description forms an integral part of master lease number 233095 Schedule 01 between Gray Aqua farms Ltd./Gray Aqua Group Ltd. and HSBC Bank Canada New Salmon Cages with pipes, nets, bird stands, bird nets and accessories as further described on the attached invoices: Supplier - Oxford Invoice # 45396, 45397, 45489, 45498, 45961, 45963, 45891, 45437, 45896 Supplier -*

Badinotti North America Invoice # 2015, 2010R Supplier - NF Styro Invoice # 20955, 21046 Supplier - NA Marine Invoice # 28292 Supplier - Future Nets Invoice # 11079, 10967, 10990 Supplier - Prism Transport Invoice # 12373, 12398, 13085, 13052 Supplier - Cards Aquaculture Invoice # 4190 Supplier - North Atlantic Marine Invoice # IN025554, IN025551, IN025850, IN025844, IN026498, IN026503, IN029033, IN029034, IN029035.

and having the following Additional Information:

HSBC Bank Canada assigned, inter alia, the collateral listed in the general description collateral herein to the Secured Party by Assignment Agreement dated December 11, 2013.

This registration is a re-registration of a financing statement registered on 2010-10-18 as Number 19379684."

Gray Aqua Processing Ltd.

1. Financing Statement registered as Number 24837668 on 2014-08-26 by Gray Aqua Processing Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

2. Financing Statement registered as Number 24904880 on 2014-09-11 by Gray Aqua Processing Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after-acquired personal property and all proceeds thereof."

Butter Cove Aqua Farms Ltd.

1. Financing Statement registered as Number 24837353 on 2014-08-26 by Butter Cove Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

2. Financing Statement registered as Number 24905135 on 2014-09-11 by Butter Cove Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as

Secured Party, expiring on 2019-09-11 and having the following general collateral description:

> *"A security interest is taken in all of the Debtor's present and after-acquired personal property and all proceeds thereof."*

Goblin Bay Aqua Farms Ltd.

1. Financing Statement registered as Number 24837577 on 2014-08-26 by Goblin Bay Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   > *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

2. Financing Statement registered as Number 24904500 on 2014-09-11 by Goblin Bay Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

   > *"A security interest is taken in all of the Debtor's present and after-acquired personal property and all proceeds thereof."*

Jervis Island Aqua Farms Ltd.

1. Financing Statement registered as Number 24837635 on 2014-08-26 by Jervis Island Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   > *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

2. Financing Statement registered as Number 24905069 on 2014-09-11 by Jervis Island Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

   > *"A security interest is taken in all of the Debtor's present and after-acquired personal property and all proceeds thereof."*

Pass-My-Can Aqua Farms Ltd.

1. Financing Statement registered as Number 24837361 on 2014-08-26 by Pass-My-Can Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of

Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

> *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

2. Financing Statement registered as Number 24905119 on 2014-09-11 by Pass-My-Can Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

   > *"A security interest is taken in all of the Debtor's present and after-acquired personal property and all proceeds thereof."*

608672 N.B. Ltd.

1. Financing Statement registered as Number 23850050 on 2013-12-13 by 608672 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   > *"A security interest is taken in all of the Debtor's present and after acquired personal property."*

2. Financing Statement registered as Number 23851660 on 2013-12-13 by 608672 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   > *"A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."*

3. Financing Statement registered as Number 24837163 on 2014-08-26 by 608672 N.B. Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   > *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

608690 N.B. Ltd.

1. Financing Statement registered as Number 23850068 on 2013-12-13 by 608690 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

"A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 23851686 on 2013-12-13 by 608690 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

3. Financing Statement registered as Number 24837049 on 2014-08-26 by 608690 N.B. Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

608691 N.B. Ltd.

1. Financing Statement registered as Number 23850027 on 2013-12-13 by 608691 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 23851637 on 2013-12-13 by 608691 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

3. Financing Statement registered as Number 24837064 on 2014-08-26 by 608691 N.B. Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

"All of the Debtor's present and after acquired personal property and all proceeds thereof."

608715 NB Limited

1. Financing Statement registered as Number 20826731 on 2011-11-17, amended as Number 23785363 on 2013-11-25 and by Number 23859911 on 2013-12-17, by Timothy Rhodes Gray, Robert Frederick Gray, Jeffrey Walter Gray, Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., 608712 NB Limited, 608715 NB Limited, 608716 NB Limited and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by each of the Debtors to Gray Aqua Group Ltd.
   Added by registration Number 23785363
   Please disregard the above General Collateral entry, added by 20826731. The revised General Collateral entry should read as follows:
   Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by Gray Aqua Group Ltd. to the Debtors."

2. Financing Statement registered as Number 23850084 on 2013-12-13 by 608715 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

3. Financing Statement registered as Number 23852627 on 2013-12-13 by 608715 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

4. Financing Statement registered as Number 24837221 on 2014-08-26 by 608715 NB Limited, as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

"All of the Debtor's present and after acquired personal property and all proceeds thereof."

608716 NB Limited

1. Financing Statement registered as Number 20826731 on 2011-11-17, amended as Number 23785363 on 2013-11-25 and by number 23859911 on 2013-12-17, by Timothy Rhodes Gray, Robert Frederick Gray, Jeffrey Walter Gray, Gray's Aqua Management Ltd., Gray Aqua Farms Ltd., 608712 NB Limited, 608715 NB Limited, 608716 NB Limited and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by each of the Debtors to Gray Aqua Group Ltd.
   Added by registration Number 23785363
   Please disregard the above General Collateral entry, added by 20826731.
   The revised General Collateral entry should read as follows:
   Each of the Debtors postpones and assigns to the Secured Party all present and future indebtedness owed by Gray Aqua Group Ltd. to the Debtors."

2. Financing Statement registered as Number 23850118 on 2013-12-13 by 608716 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:
   "A security interest is taken in all of the Debtor's present and after acquired personal property."

3. Financing Statement registered as Number 23852635 on 2013-12-13 by 608716 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

4. Financing Statement registered as Number 24837262 on 2014-08-26 by 608716 NB Limited, as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

M. Gray Holdings Ltd.

1. Financing Statement registered as Number 23849771 on 2013-12-13 by M. Gray Holdings Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 23849847 on 2013-12-13 by M. Gray Holdings Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

3. Financing Statement registered as Number 23852643 on 2013-12-13 by M. Gray Holdings Ltd. and M. Gray Holdings Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

4. Financing Statement registered as Number 24902835 on 2014-09-11 by M. Gray Holdings Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-09-11 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

NEWFOUNDLAND AND LABRADOR

Gray Aqua Group Ltd.

1. Financing Statement registered as Number 8585177 on 2010-10-08, renewed as Number 13609292 on 2016-01-13, by Gray Aqua Group Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2027-10-08 and having the following general collateral description:

   "1. 3" Heavy duty braided suction/discharge hose/organge helix
   2. AEG 100MT towable feeder, serial number AEG-7F-100-1003
   3. and all present and after acquired personal property excepting consumer goods."

   and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
AEG7F1001003	Boat	—

2. Financing Statement registered as Number 8585195 on 2010-10-08 by Gray Aqua Group Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2020-10-08 and having the following general collateral description:

   "All present and after acquired personal property except consumer goods."

3. Financing Statement registered as Number 8808061 on 2011-01-25, amended by Number 11593902 on 2013-12-17, by Gray Aqua Farms Ltd./Gray Aqua Group Ltd. and Gray Aqua Farms Ltd./Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-01-25 and having the following general collateral description:

   "THIS EQUIPMENT DESCRIPTION FORMS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 02 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. AND HSBC BANK CANADA NEW SALMON CAGES WITH PIPES, NETS, BIRD STANDS, BIRD NETS AND ACCESSORIES AS FURTHER DESCRIBED ON THE ATTACHED INVOICES: SUPPLIER – NORTH ATLANTIC MARINE SUPPLIES & SERVICES INVOICE NO. IN029564, IN 029566, IN029586, IN029784, IN029780, IN029905, IN029591, IN029590 SUPPLIER - OXFORD PLASTICS INC. INVOICE 46067 SUPPLIER - MARITIME INDUSTRIAL RUBBER INVOICE NO. 0000005539, 0000005754 SUPPLIER - GO DEEP INTERNATIONAL INC. INVOICE NO. 537198, 537089 SUPPLIER – ENTREPRISES SHIPPAGAN LTEE INVOICE NO. 1747596 SUPPLIER - FUTURE NETS & SUPPLIES LTD. INVOICE NO. 11321, 10991 SUPPLIER - HYNES HOLDINGS INC INVOICE NO. 42647, 42616, 42759 SUPPLIER - CONNE RIVER BUILDING SUPPLIES INVOICE NO. 137401 SUPPLIER - NEWFOUNDLAND STYRO INC. INVOICE NO. 21517 SUPPLIER -

FALCON EQUIPMENT LTD. INVOICE NO. 115000215 SUPPLIER - MEDUCTIC WELDING INVOICE NO. 4353, 4312 SUPPLIER - PRISM TRANSPORT LTD INVOICE NO. 13529, 13535, 13548 SUPPLIER - NEWFOUNDLAND AQUA SERVICES LTD INVOICE NO. 3335, 3389, 3388 SUPPLIER - RUSSEL METAL INC. INVOICE NO. 04301474, 04301438, 05168709, 04304805, 02792263, 04304879, 04304882 SUPPLIER - EASY KLEEN PRESSURE SYSTEMS LTD INVOICE NO. 40095 SUPPLIER - GRAYBAR CANADA INVOICE NO. 3244400-00 SUPPLIER - DAWE'S MECHANICAL INVOICE NO. 189050 SUPPLIER - CARLETON INDUSTRIAL SUPPLY LTD. INVOICE NO. 695213-01 SUPPLIER - PROMENS SAINT JOHN INC. INVOICE NO. 19996 SUPPLIER - UNITED RENTALS INVOICE NO. 89588405-001 SUPPLIER – BATTLEFIELD EQUIPMENT RENTALS INVOICE NO. 650073217"

4. Financing Statement registered as Number 8832356 on 2011-02-07, amended by Number 11593910 on 2013-12-17, re-registered by Number 13675871 on 2016-02-15 and renewed as Number 13676101 on 2016-02-15, by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-02-07 and having the following general collateral description:

   "THIS ANNEX IS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 03 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. AND HSBC BANK CANADA. SUPPLIER OPI OXFORD PLASTICS INC. INVOICE NO. 45279 4500 355.00 SERIES 60 METRIC AWWA PE 3608 19600 315.00 SERIES 60 METRIC AWWA PE 3608 1500 315.00 SERIES 60 METRIC AWWA PE 3608 13200 6.00 DR 17 IPS AWWA/CSA PE 3608 9600 5.00 DR 17 IPS AWWA/CSA PE 3608 7000 110.00 SERIES 125 METRIC AWWA PE 3608 INVOICE NO. 46283 4 EXWELD BETA 2-SC 1 SHDS 160 MANUAL BUTT WELDING TOOL SUPPLIER HYNES HOLDINGS INC. INVOICE NO. 43936 25 2 1/2" ROPE 3 STAND (720 FT/675 LBS PER COIL) 90 2" ROPE (720 FT/430 LBS PER COIL) 70 1 1/4" ROPE (1200 FT/324 LBS PER COIL) 31 1/2" ROPE (1200 FT/48 LBS PER COIL) 425 5/8" ROPE (600 FT/38 LBS PER COIL) 20 2" GALV CERT. SCREW PIN SCHACKLE 125 1 1/8" CERT. SCREW PIN SHACKLE 550 7/8" CERT. SCREW PIN SCHACKLE 40 2 1/2" GALV HD THIMBLES 225 2" GALV THIMBLES 240 1 1/4" THIMBLE 30 GRID PLATES INVOICE NO. 43782 2275.6 ROPE ATLANTIC MAXIMA 9/16" 84LD/COIL MED/HARD LAY SOLD THE SAME AS PER COIL AS 1/2" 29 COILS/$70.85/1200'/COIL 1440 ROPE ATLANTIC MAXIMA 5/8" MED/HARD LAY/ 15 COILS @ 96 LBS 1200" COILS @ $94.75/COIL 4300 ROPE MOVELINE 2""

5. Financing Statement registered as Number 9052981 on 2011-05-11, amended by Number 9057487 on 2011-05-12 and by Number 11593928 on 2013-12-17, renewed as Number 13675590 on 2016-02-15, by Gray Aqua Group Ltd, Gray Aqua Group Ltd, Gray Aqua Farms Ltd., Gray Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-05-11 and having the following general collateral description:

"THIS ANNEX IS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 04 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. LIMITED AND HSBC BANK CANADA SUPPLIER PROMENS SAINT JOHN INC. INVOICE NO. 20396 MOORING BUOY CB110, CB2000 INVOICE NO. 20481 MOORING BUOY CB110 SUPPLIER MEDUCTIC WELDING INVOICE NO. 4452 3/4" MATERIAL CUT AND BENT FOR LARGE ANCHORS SUPPLIER NORTH ATLANTIC MARINE SUPPLIES INVOICE NO. IN031114 CHAIN GRADE 2 OPEN LINK 3/4" 90 FT INVOICE NO. IN031293 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN031294 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN030353 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT SUPPLIER NORTHERN HARVEST SERVICES INVOICE NO. 231 100M SMOLTS X 27' DEEP 11-10003, ANTLFOULANT, 100M BIRD COVERS 10-10025"

6. Financing Statement registered as Number 9353219 on 2011-08-29, amended by Number 9418436 on 2011-09-22 by Gray Aqua Farms Ltd., Gray Aqua Group Ltd., Gray Aqua Farms Ltd., Gray Aqua Group Ltd., as Debtors, in favour of Blue Chip Leasing Corporation, as Secured Party, expiring on 2016-08-29 and having the following general collateral description:

   "ALL EQUIPMENT LEASED BY THE DEBTOR TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF. INCLUDING, BUT NOT LIMITED TO ONE D50-250 TOYOTA DIESEL POWER UNIT IN CRASH FRAME INCLUDES 150FT HOSE KIT AND FITTINGS, ONE MPI TERMINATOR 3 HEAD NET WASHER COMPLETE WITH JETS, COMPLETE WITH ALL ATTACHMENTS AND ACCESSORIES."

7. Financing Statement registered as Number 9559319 on 2011-11-17, amended by Number 11593936 on 2013-12-17, by Gray Aqua Group Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor."

8. Financing Statement registered as Number 9584032 on 2011-11-29, amended by Number 11593944 on 2013-12-17, renewed as Number 13675673 on 2016-02-15, by Gray Aqua Group Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-29 and having the following general collateral description:

"SUPPLIER - NORTHERN HARVEST SERVICES INC. INVOICE NO. 232 14 100 M SMOLTS X 27' DEEP 11-10003 14 ANTIFOULANT 14 100M BIRD COVERS 10-10025 15 100M MARKET NETS X 37' DEEP 11-10008 15 100M BIRD COVERS 10-10015 9 100M MARKET X 37' DEEP 11-10011 13 100M BIRD COVERS 11-10015"

9. Financing Statement registered as Number 9609676 on 2011-12-09, amended by Number 11593951 on 2013-12-17, by Gray Aqua Group Ltd and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, expiring on 2017-12-09 and having the following general collateral description:

   "SUPPLIER - MERCADO 2 2011 PALFINGER CRANE COMPLETE WITH WINCH MODEL: PK12000B, S/N: 100134276, 100131237 1 2011 PALFINGER CRANE COMPLETE WITH WINCH MODEL: PK10000. S/N: 100131238 SUPPLIER - ODD GRYDELAND CONSULTING INVOICE NO - OGC1115 1 SOTRA STAINLESS STEEL ELECTRIC FISH STUNNER WITH CONTROL PANEL AND 1 SOTRA STAINLESS STEEL CONVEYOR WITH SUPPORT STAND SUPPLIER - NORTHERN HARVEST SERVICES INC. INVOICE NO - 486 4 100M MARKETS X37' DEEP 11-10011"

10. Financing Statement registered as Number 9697081 on 2012-01-20, amended by Number 11593969 on 2013-12-17, by Gray Aqua Group Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-01-20 and having the following general collateral description:

    "SUPPLIER - GRAY AQUA GROUP LTD. 2 AUTOMATIC FEEDING SYSTEMS SUPPLER – OCEANSIDE EQUIPMENT LIMITED INVOICE NO. 67331 12096 LBS/14 COILS P/N 8-8" SDAN BLUE ROPE 4060 LBS/4 COILS P/N 8-8" SDAN ROPE 36 EACH P/N 6-2-1/2GT THIMBLES 36 EACH P/N 6-1-1/2" ML MASTER LINKS INVOICE NO. 67516 60 SHOTS X 90' P/N 6-1-1/8 G20L CHAIN 5 EACH P/N 6-2-1/2 GT THIMBLES 60 EACH P/N 6-1-1/2" ML MASTER LINKS 2030 LBS/2 COILS P/N 8-8" SDAN ROPE 1728 LBS/2 COILS P/N 8-8" SDAN BLUE ROPE SUPPLIER - INNOVATIVE PRESSURE SYSTEMS INC. INVOICE NO. 57192 2 IPS 110V 2 SPEED RADIO CONTROLLED WINCHES FREIGHT SUPPLIER - SEAFOOD INNOVATIONS CANADA INVOICE NO. 2220 3 SI7 E STUN&BLEED FLOW THROUGH COMBO UNIT 1 SI7 COMBO ACCESSORY KIT 1 SI7 COMBO SPARE PARTS KIT-BASIC 1 SI7 MANUAL FEED TABLE-STAINLESS STEEL FREIGHT CHARGES"

11. Financing Statement registered as Number 9769119 on 2012-02-27, amended by Number 11593985 on 2013-12-17, by Gray Aqua Group Ltd and Gray Aqua Group Ltd, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-02-27 and having the following general collateral description:

    "SUPPLIER - EAGLE LEASING INC. INVOICE NO - 3903 1 1997 EAGLE CRAFT 12 PASSENGER WATER TAXI. HULL # ZVG00465G797, VESSEL

LICENCE # C04737BC 2009 VOLVO MOTOR D-6330.S/N: 2006036935 SUPPLIER - CAN-AM MARINE TRANSPORT INC. TRANSPORTATION"

12. Financing Statement registered as Number 9904222 on 2012-04-20, amended by Number 11593993 on 2013-12-17, by Gray Aqua Group Ltd, as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-04-20 and having the following general collateral description:

"Supplier: Oceanside Equipment Limited Invoice #: 754793 24,073.92 Lbs/26 coils p/n 8-2-1/2"SDAN BLUE Rope @ $1.69/Lb; 55 each p/n 6-2-1/2GT Thimbles @ $128.80; 50 each p/n 6-1-1/8"SPB Shackles @ $12.91; 50 each p/n 6-7/8"SPB Shackles @ $5.78; Freight charges Supplier: Emco Corporation Invoice #: 1397567-00 1 355MM SER60 HDPE X50 1 315MM SER60 HDPE X50 1 6X50' IPS DR17 HDPE PIPE 1 110MM SER125 HDPE X50' 1 5X50' DR17 HDPE PIPE 1 315MM SER80 HDPE X50' Supplier: LCR Plastic Supplies Ltd. Invoice #: 34 900 lbs 5 mm HDPE Pipe Grade Welding Wire, 30 boxes x 30 lbs. Ea. Supplier: MC Transport Ltd. Invoice #: 14975 Delivery service Supplier: Phoenix Transportation & Logistics Inc. Invoice #: 5963 1 Tractor Trailer delivery full loead [sic] *of pipe from Huntvill On to Connie River NL Invoice #: 5989 1 Tractor Trailer delivery full loead* [sic] *of pipe from Huntvill On to Connie River NL Invoice #: 5987 1 Tractor Trailer delivery full loead* [sic] *of pipe from Huntvill On to Connie River NL Invoice #: 6005 1 Tractor Trailer delivery full loead* [sic] *of pipe from Huntvill On to Connie River NL Invoice #: 5965 1 Tractor Trailer delivery full loead* [sic] *of pipe from Huntvill On to Connie River NL Supplier: Promens Invoice #: 21872 35 Mooring Buoy CB1100 Supplier: North Atlantic Marine Supplies Invoice #: IN037958 Rope Sicorsteel 1 1/4" x 600ft Green c/w red/t; 2 1/2" Tube Thimbles; Chain Grade 2 Open Link 1 1/8" 90ft; Thimble Wire Rope Tube Galv 1 1/4" Invoice #: IN037603 Rope Sicorsteel 1 1/4" x 600ft Green c/w red/t; Master Link 1" Alloy; 2 1/2" Tube Thimbles; Chain Grade 2 Open Link 1 1/8" 90ft; Thimble Wire Rope Tupe Galv 1 1/4""*

13. Financing Statement registered as Number 10016087 on 2012-05-28, amended by Number 11594017 on 2013-12-17, by Gray Aqua Group Ltd, as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-05-28 and having the following general collateral description:

"SUPPLIER - Go Deep International, INVOICE NO. 538101 (1) GDI-0.90M CAN buoy yellow with tape and lettering (1) Solar light 650 Amber with hardware (1) GDI 24" Sphere Marker Buoy, yellow (1) Buoy 16" Sphere 2200g yellow (196) Buoy 16" Sphere used as net weight balls in Yellow 900-1600g, Lime green 272-1600g, Yellow 237-2200g SUPPLIER - Go Deep International, INVOICE NO. 538089 (4) GDI-0.90M CAN buoy yellow with tape and lettering (4) Solar light 650 Amber with hardware, s/n 1330112252, 1330112248, 1330112241, 1330118005 (50) GDI 24" Sphere Marker Buoy, yellow (20) Buoy 16" Sphere 2200g yellow (1233)

Buoy 16" Sphere used as Net Weight Balls Yellow 772-1600g Lime Green 272-1600g Red 189-1600g SUPPLIER - Meductic Welding, INVOICE NO. 4814 (25) 3/4" material cut and bent for large anchors SUPLIER [sic] *- Emco, INVOICE NO. 1398668-00 (650) 110MM SER125 HDPE X 50 (2150) 5X50' DR17 HDPE PIPE (2800) 315MM SER80 HDPE X 50' (12000) 3X1000' DR17 HDPE PIPE SUPPLIER - Oceanside Equip, INVOICE NO. 756948 (498) each p/n 6-1"SPB Shackles (320) each p/n 6-7/8"SPB Shackles (44) each p/n 6-EYEPLATE Plate Eye (22) shots p/n 6-3/4G20L Chain (74) each p/n 75-7/8"ML Master Links 1,056 lbs p/n 17-3/8"AGSL1200 Rope 9,240 lbs p/n 17-5/8"AGSL1200 Rope (45) each p/n 6-2-1/2GT Thimbles (44) each p/n 6-TT1-1/4 Thimbles SUPPLIER - Grading Systems, INVOICE NO. 465 Flexipanel Grading System 18m x 6m x 68mm with 45m x 20m x 5 m sweep net & container SUPPLIER - Classic Freight, INVOICE NO. 2171.01 Transportation SUPPLIER - Prism Transport, INVOICE NO. 15533 Transportation SUPPLIER - Young's Industrial, INVOICE NO. 32032, (1) Ice Maker package"*

14. Financing Statement registered as Number 10164523 on 2012-07-16, amended by Number 10165769 on 2012-07-16 and by Number 11594066 on 2013-12-17, by Gray Aqua Group Ltd, as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-07-16 and having the following general collateral description:

"SUPPLIER - Aquatic Eco-Systems, INVOICE NO. 163359 1 each Aqua-Life Fish Pump Model 1080 SUPPLIER - North Atlantic Marine, INVOICE NO. 38903 40 each Rope Sicorsteel 1 1/4"x600ft Green c/w red/t 229 each Thimble Wire Rope Tube Galv 2 1/2" 174 each Thimble Wire Rope Tube Galv 1 1/4" SUPPLIER - Newfoundland Styro, INVOICE NO. 25164 978 each 10" Custom Cut Cylinder 196 each 5" Custom Cut Cylinder SUPPLIER - Newfoundland Styro, INVOICE NO. 25022 978 each 10" Custom Cut Cylinder 200 each 5" Custom Cut Cylinder SUPPLIER - Oceanside Equip, INVOICE NO. 70932 87 each Rope Aqua Soft Lay 8 Strand (897 lbs./coil) 2-1/2" dia.X 720' SUPPLIER - Oceanside Equip, INVOICE NO. 71359 33 each Rope Aqua Soft Lay 8 Strand (897 lbs./coil) 2-1/2" dia.X 720' SUPPLIER – Pack Maufacturing, INVOICE NO. 060512A 1 each 3 Cu. Yd Batch Mixer Includes: 10HP, 230vac, Single phase, magnetic starter, safety lid and grate, and center dump 1 each Rubber Wipers for spiral agitator 1 each HD option for 15HP electric motor 1 each Built on fold dowm [sic] *conveyor 16" x 15' SUPPLIER - Pulse, INVOICE NO. GMBG04246 1 RPT-9000 RF Cellular Extender for GSM/CDMA and AMPS - Down link 824-849MHz / Up-link 869-894MHz - FCC Certified and Approved - Hardened NEMA case - DC power supply at a requirement of 24vdc/55 watts – 2xRF N Type Female Connectors 1 Til-Tek TA-811B-33-TO TA-811-33 ANTENNA - 806-896 MHz - DONOR SIDE - 33 degrees - 17 dBd Gain - 8' - 0 degree electrical downtilt*

Added by registration number 10165769

ADD THE FOLLOWING
1 Til-Tek TA-803B-T0 TA-803 ANTENNA - 806-896 MHz - AREA FILL SIDE - adjustable sector broadband dipole array antenna. Enclosed in an aluminum base wth ASA UV stablizedradome for superior performance and weatherability.Extremely low side lobes, an adjustable azimuth pattern and up to 15 degrees of mechanical downtilt. 12.5@60,11@90,10.75@105 & 10.5@120 Gain -Vertical Polarization - N Female - 50 Ohms - 48" x 13" x 8" - 35 Lbs. - Rated Wind Velocity 125 MPH - 0 degree electrical downtilt. 1 Til-Tek TA-811B-45T0 TA-811-45 ANTENNA - 806-896 MHz - AREA FILL SIDE - 45 degrees - 17 dBd Gain - 8' - 0 degree electrical downtilt SUPPLIER - Coast To Coast, INVOICE NO. 38186 SUPPLIER - Coast To Coast, INVOICE NO. 38211 SUPPLIER - Coast To Coast, INVOICE NO. 38349"

15. Financing Statement registered as Number 10732998 on 2013-02-13, amended by Number 10781300 on 2013-03-07 by Gray Aqua Processing Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of South Coast Community Development Corporation, as Secured Party, expiring on 2023-02-13 and having the following general collateral description:

    "a) all present and after acquired personal property including equipment, machinery, supplies and all others [sic] *assets owned by GRAY AQUA PROCESSING LTD.*
    b) specifically listed assets and/or property as follows: "B36 Portion Machine" (priority provided for this specifically financed item)"

    and having the following Additional Information:

    "There is a signed "Priority Agreement" between Business Development Bank of Canada (BDC) and the South Coast Community Development Corporation (SCCDC) and GRAY AQUA PROCESSING LTD giving the SCCDC specific priority over the BDC in relation to the "B36 Portion Machine" (Serial 15461.80.0587).

    Added by registration number 10781300
    The South Coast Community Development Corporation (SCCDC) provides priority over the "Plant Infeed System Project # SO19910" in favour of Central Community Development Corporation (CCDC). By way of this additional registration detail the SCCDC recognizes the first charge on the "Plant Infeed System Project # SO19910" by the CCDC."

16. Financing Statement registered as Number 11354214 on 2013-09-13 by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Mercado Capital Corporation, Div. of Westminster Savings Credit Union, as Secured Party, expiring on 2016-09-13 and having the following general collateral description:

"TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
N7GP00788	Motor Vehicle	2008 CASE 321E

17. Financing Statement registered as Number 11354248 on 2013-09-13 by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Mercado Capital Corporation, Div. of Westminster Savings Credit Union, as Secured Party, expiring on 2016-09-13 and having the following general collateral description:

"TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
JL6BBG1S57K017006	Motor Vehicle	2007 Mitsubishi FUSO FE140

18. Financing Statement registered as Number 12259792 on 2014-08-26 by Gray Aqua Group Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

"All of the Debtor's present and after acquired personal property and all proceeds thereof."

19. Financing Statement registered as Number 12309217 on 2014-09-12 by Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-12 and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
345865	Boat	The Walter Gray
837030	Boat	Atlantic Harvester II
833898	Boat	Elizabeth Jane I
835988	Boat	K.C.
821802	Boat	Dylan B

20. Financing Statement registered as Number 13672225 on 2016-02-12 by Gray Aqua Farms Ltd., Gray Aqua Group Ltd., Gray Aqua Farms Ltd., and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-02-12 and having the following general collateral description:

    "This equipment description forms an integral part of master lease number 233095 Schedule 01 between Gray Aqua farms Ltd./Gray Aqua Group Ltd. and HSBC Bank Canada New Salmon Cages with pipes, nets, bird stands, bird nets and accessories as further described on the attached invoices: Supplier - Oxford Invoice # 45396, 45397, 45489, 45498, 45961, 45963, 45891, 45437, 45896 Supplier - Badinotti North America Invoice # 2015, 2010R Supplier - NF Styro Invoice # 20955, 21046 Supplier - NA Marine Invoice # 28292 Supplier - Future Nets Invoice # 11079, 10967, 10990 Supplier - Prism Transport Invoice # 12373, 12398, 13085, 13052 Supplier - Cards Aquaculture Invoice # 4190 Supplier - North Atlantic Marine Invoice # IN025554, IN025551, IN025850, IN025844, IN026498, IN026503, IN029033, IN029034, IN029035."

    and having the following Additional Information:

    "HSBC Bank Canada assigned, inter alia, the collateral listed in the general description collateral herein to the Secured Party by Assignment Agreement dated December 11, 2013.

    This registration is a re-registration of a financing statement registered on 2010-10-18 as Number 8604511."

Gray's Aqua Management Ltd.

1. Financing Statement registered as Number 12259438 on 2014-08-26, by Gray's Aqua Management Ltd., as Debtors, in favour of Business Development Bank of

Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

> *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

2. Financing Statement registered as Number 12305439 on 2014-09-11, by Gray's Aqua Management Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

> *"A security interest is taken in all of the Debtor's present and after acquired personal property."*

Gray Aqua Farms Ltd.

1. Financing Statement registered as Number 8808061 on 2011-01-25, as amended by Number 11593902 on 2013-12-17, by Gray Aqua Farms Ltd./Gray Aqua Group Ltd. and Gray Aqua Farms Ltd./Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2017-01-25 and having the following general collateral description:

> *"THIS EQUIPMENT DESCRIPTION FORMS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 02 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. AND HSBC BANK CANADA NEW SALMON CAGES WITH PIPES, NETS, BIRD STANDS, BIRD NETS AND ACCESSORIES AS FURTHER DESCRIBED ON THE ATTACHED INVOICES: SUPPLIER – NORTH ATLANTIC MARINE SUPPLIES & SERVICES INVOICE NO. IN029564, IN 029566, IN029586, IN029784, IN029780, IN029905, IN029591, IN029590 SUPPLIER - OXFORD PLASTICS INC. INVOICE 46067 SUPPLIER - MARITIME INDUSTRIAL RUBBER INVOICE NO. 0000005539, 0000005754 SUPPLIER - GO DEEP INTERNATIONAL INC. INVOICE NO. 537198, 537089 SUPPLIER – ENTREPRISES SHIPPAGAN LTEE INVOICE NO. 1747596 SUPPLIER - FUTURE NETS & SUPPLIES LTD. INVOICE NO. 11321, 10991 SUPPLIER - HYNES HOLDINGS INC INVOICE NO. 42647, 42616, 42759 SUPPLIER - CONNE RIVER BUILDING SUPPLIES INVOICE NO. 137401 SUPPLIER - NEWFOUNDLAND STYRO INC. INVOICE NO. 21517 SUPPLIER - FALCON EQUIPMENT LTD. INVOICE NO. 115000215 SUPPLIER - MEDUCTIC WELDING INVOICE NO. 4353, 4312 SUPPLIER - PRISM TRANSPORT LTD INVOICE NO. 13529, 13535, 13548 SUPPLIER - NEWFOUNDLAND AQUA SERVICES LTD INVOICE NO. 3335, 3389, 3388 SUPPLIER - RUSSEL METAL INC. INVOICE NO. 04301474, 04301438, 05168709, 04304805, 02792263, 04304879, 04304882 SUPPLIER - EASY KLEEN PRESSURE SYSTEMS LTD INVOICE NO. 40095 SUPPLIER - GRAYBAR CANADA INVOICE NO. 3244400-00 SUPPLIER - DAWE'S MECHANICAL INVOICE NO. 189050 SUPPLIER - CARLETON INDUSTRIAL SUPPLY LTD. INVOICE NO. 695213-01 SUPPLIER - PROMENS SAINT JOHN INC. INVOICE NO. 19996 SUPPLIER -*

UNITED RENTALS INVOICE NO. 89588405-001 SUPPLIER – BATTLEFIELD EQUIPMENT RENTALS INVOICE NO. 650073217"

2. Financing Statement registered as Number 8832356 on 2011-02-07, as amended by Number 11593910 on 2013-12-17, re-registered by Number 13675871 on 2016-02-15 and renewed as Number 13676101 on 2016-02-15, by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-02-07 and having the following general collateral description:

   "THIS ANNEX IS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 03 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. AND HSBC BANK CANADA. SUPPLIER OPI OXFORD PLASTICS INC. INVOICE NO. 45279 4500 355.00 SERIES 60 METRIC AWWA PE 3608 19600 315.00 SERIES 60 METRIC AWWA PE 3608 1500 315.00 SERIES 60 METRIC AWWA PE 3608 13200 6.00 DR 17 IPS AWWA/CSA PE 3608 9600 5.00 DR 17 IPS AWWA/CSA PE 3608 7000 110.00 SERIES 125 METRIC AWWA PE 3608 INVOICE NO. 46283 4 EXWELD BETA 2-SC 1 SHDS 160 MANUAL BUTT WELDING TOOL SUPPLIER HYNES HOLDINGS INC. INVOICE NO. 43936 25 2 1/2" ROPE 3 STAND (720 FT/675 LBS PER COIL) 90 2" ROPE (720 FT/430 LBS PER COIL) 70 1 1/4" ROPE (1200 FT/324 LBS PER COIL) 31 1/2" ROPE (1200 FT/48 LBS PER COIL) 425 5/8" ROPE (600 FT/38 LBS PER COIL) 20 2" GALV CERT. SCREW PIN SCHACKLE 125 1 1/8" CERT. SCREW PIN SHACKLE 550 7/8" CERT. SCREW PIN SCHACKLE 40 2 1/2" GALV HD THIMBLES 225 2" GALV THIMBLES 240 1 1/4" THIMBLE 30 GRID PLATES INVOICE NO. 43782 2275.6 ROPE ATLANTIC MAXIMA 9/16" 84LD/COIL MED/HARD LAY SOLD THE SAME AS PER COIL AS 1/2" 29 COILS/$70.85/1200'/COIL 1440 ROPE ATLANTIC MAXIMA 5/8" MED/HARD LAY/ 15 COILS @ 96 LBS 1200" COILS @ $94.75/COIL 4300 ROPE MOVELINE 2""

3. Financing Statement registered as Number 8853118 on 2011-02-17 by Gray Aqua Farms Ltd., as Debtor, in favour of Capital Underwriters Inc., as Secured Party, expiring on 2017-02-17 and having the following general collateral description:

   "TWO (2) 2011 AQUA SONAR FISH SIZING SONAR UNITS S/N 041 AND 042 TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR
   PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION

FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

4. Financing Statement registered as Number 8855358 on 2011-02-18, amended by Number 8859577 on 2011-02-22 by Gray Aqua Farms Ltd., as Debtor, in favour of Capital Underwriters Inc., as Secured Party, expiring on 2017-02-18 and having the following general collateral description:

"ONE (1) 2009 SILVER DOLPHIN 26' STAND UP CABIN BOAT S/N QTN036BTH909 AND ONE (1) 2009 YAMAHA OUTBOARD MOTOR S/N 2086286410 TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL

Added by registration number 8859577
REPLACE/CORRECT COLLATERAL
ONE (1) SILVER DOLPHIN 26' STAND UP CABIN BOAT S/N QTN036BHI909 AND ONE (1) 2009 YAMAHA F300TXRH OUTBOARD MOTOR S/N 1000434 TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
QTN036BHI909	Boat	2009 Silver Dolphin 26FT Stand Up Cabin
1000434	Outboard Motor	2009 Yamaha

		F300TXRH

5. Financing Statement registered as Number 9013284 on 2011-04-28 by Gray Aqua Farms Ltd. and Gray Aqua Farms Ltd., as Debtors, in favour of Capital Underwriters Inc., as Secured Party, expiring on 2017-04-28 and having the following general collateral description:

   "ONE (1) 2011 SILVER DOLPHIN BOW RIDER BOAT S/N QTN118FJD111 AND ONE (1) YAMAHA F150X 4-STROKE, X-LONG YAMAHA OUTBOARD MOTOR S/N 1100895 TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

   and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
QTN118FJD111	Boat	2011 Silver Dolphin Bow Rider Boat

6. Financing Statement registered as Number 9052981 on 2011-05-11, amended by Number 9057487 on 2011-05-12 and by Number 11593928 on 2013-12-17, renewed as Number 13675590 on 2016-02-15, by Gray Aqua Group Ltd., Gray Aqua Group Ltd, Gray Aqua Farms Ltd., Gray Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-05-11 and having the following general collateral description:

   "THIS ANNEX IS AN INTEGRAL PART OF MASTER LEASE NUMBER 233095 SCHEDULE 04 BETWEEN GRAY AQUA FARMS LTD./GRAY AQUA GROUP LTD. LIMITED AND HSBC BANK CANADA SUPPLIER PROMENS SAINT JOHN INC. INVOICE NO. 20396 MOORING BUOY CB110, CB2000 INVOICE NO. 20481 MOORING BUOY CB110 SUPPLIER MEDUCTIC WELDING INVOICE NO. 4452 3/4" MATERIAL CUT AND BENT FOR LARGE ANCHORS SUPPLIER NORTH ATLANTIC MARINE SUPPLIES INVOICE NO. IN031114 CHAIN GRADE 2 OPEN LINK 3/4" 90 FT INVOICE NO. IN031293 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN031294 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT INVOICE NO. IN030353 CHAIN 1 1/8" GR.2 OPEN LINK 90 FT SUPPLIER NORTHERN HARVEST SERVICES INVOICE NO. 231 100M

SMOLTS X 27' DEEP 11-10003, ANTLFOULANT, 100M BIRD COVERS 10-10025"

7. Financing Statement registered as Number 9103588 on 2011-05-30 by Gray Aqua Farms Ltd, as Debtor, in favour of TD Equipment Finance Canada Inc., as Secured Party, expiring on 2016-05-30 and having the following general collateral description:

   "ONE (1) CUSTOM BUILT 48'X16'X4' STEEL POWERED SCOW S/N 1995SCOW COMPLETE WITH CUMMINGS MODEL 210 MOTOR, NEW EXHAUST AND HYDRAULIC PUMP TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL"

   and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
1995SCOW	Boat	1995 Custom Steel Powered Scow

8. Financing Statement registered as Number 9353219 on 2011-08-29, amended by Number 9418436 on 2011-09-22 by Gray Aqua Farms Ltd., Gray Aqua Group Ltd., Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Blue Chip Leasing Corporation, as Secured Party, expiring on 2016-08-29 and having the following general collateral description:

   "ALL EQUIPMENT LEASED BY THE DEBTOR TOGETHER WITH ALL PRESENT AND FUTURE ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF. INCLUDING, BUT NOT LIMITED TO ONE D50-250 TOYOTA DIESEL POWER UNIT IN CRASH FRAME INCLUDES 150FT HOSE KIT AND FITTINGS, ONE MPI TERMINATOR 3 HEAD NET WASHER COMPLETE WITH JETS, COMPLETE WITH ALL ATTACHMENTS AND ACCESSORIES."

9. Financing Statement registered as Number 11354180 on 2013-09-13, amended by Number 11354685 on 2013-09-13, amended by Number 11377603 on 2013-09-

20 by Gray Aqua Farms Ltd., as Debtor, in favour of Mercado Capital Corporation, Div. of Westminster Savings Credit Union, as Secured Party, expiring on 2016-09-13 and having the following general collateral description:

"TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS INDEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
N7C472186	Trailer	2007 CASE 580SM

10. Financing Statement registered as Number 11354214 on 2013-09-13 by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Mercado Capital Corporation, Div. of Westminster Savings Credit Union, as Secured Party, expiring on 2016-09-13 and having the following general collateral description:

"TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
N7GP00788	Motor Vehicle	2008 CASE 321E

11. Financing Statement registered as Number 11354248 on 2013-09-13 by Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Mercado Capital Corporation, Div. of Westminster Savings Credit Union, as Secured Party, expiring on 2016-09-13 and having the following general collateral description:

"TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL."

and having the following serial numbered collateral description:

Serial Number	Collateral Type	Description
JL6BBG1S57K017006	Motor Vehicle	2007 Mitsubishi FUSO FE140

12. Financing Statement registered as Number 12259412 on 2014-08-26 by Gray Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

    "All of the Debtor's present and after acquired personal property and all proceeds thereof."

13. Financing Statement registered as Number 12305413 on 2014-09-11, by Gray Aqua Farms Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

    "A security interest is taken in all of the Debtor's present and after acquired personal property."

14. Financing Statement registered as Number 13672225 on 2016-02-12, by Gray Aqua Farms Ltd. , Gray Aqua Group Ltd., Gray Aqua Farms Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-02-12 and having the following general collateral description:

    "This equipment description forms an integral part of master lease number 233095 Schedule 01 between Gray Aqua farms Ltd./Gray Aqua Group Ltd. and HSBC Bank Canada New Salmon Cages with pipes, nets, bird stands, bird nets and accessories as further described on the attached invoices: Supplier - Oxford Invoice # 45396, 45397, 45489, 45498, 45961, 45963, 45891, 45437, 45896 Supplier – Badinotti North America Invoice # 2015, 2010R Supplier - NF Styro

Invoice # 20955, 21046 Supplier - NA Marine Invoice # 28292 Supplier - Future Nets Invoice # 11079, 10967, 10990 Supplier - Prism Transport Invoice # 12373, 12398, 13085, 13052 Supplier - Cards Aquaculture Invoice # 4190 Supplier - North Atlantic Marine Invoice # IN025554, IN025551, IN025850, IN025844, IN026498, IN026503, IN029033, IN029034, IN029035.

and having the following Additional Information:

HSBC Bank Canada assigned, inter alia, the collateral listed in the general description collateral herein to the Secured Party by Assignment Agreement dated December 11, 2013.

This registration is a re-registration of a financing statement registered on 2010-10-18 as Number 8604511."

Gray Aqua Processing Ltd.

1. Financing Statement registered as Number 9235124 on 2011-07-15 by Gray Aqua Processing Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2031-07-15 and having the following general collateral description:

   "All present and after acquired personal property."

2. Financing Statement registered as Number 9672883 on 2012-01-10, renewed as Number 11705431 on 2014-02-13, by Gray Aqua Processing Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-01-10 and having the following general collateral description:

   "All present and after acquired property."

3. Financing Statement registered as Number 9979678 on 2012-05-15, renewed as Number 10799294 on 2013-03-15 and by Number 11705449 on 2014-02-13, by Gray Aqua Processing Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2028-05-15 and having the following general collateral description:

   "- 7 Station Manual Ergonomic Gutting Line without workstands, including vacuum system
   - Tote Dumper with Hydraulic Power Pack with an Elevation Stand
   - Four Man Heading Station with Deicing Grid and Stands
   - 2630 Salmon Filleting Machine
   - Fillet Machine Stand with Rollers for Cleaning with Feed Tray
   - Head, Frame and Trimmings Take Away Conveyor Dumps into Totes
   - 12 Station Dual Lane Active Trim Line with Poly Urethane Belt and Trim Take Away Conveyor

- Pinbone Machines 2612.25 Dual Lane with Bone Collection Tray and Elevated Stands
- Pinbone Inspection Conveyor
- Skinning Machine B-52 (Shallow Skin or Deep Skin) Used and Rebuilt with One Year Warranty
- Replacement Conveyor When Producing Skin On Fillets
- After Skinning Trim Conveyor
- Fillet Packing Turn Table with Two Packing Stations
- Box Delivery Roller Conveyor
- Check Weigh Station with M2200 Scale and Platform with Roller Top, Printer, Waterproof Printer
Cabinet
- Box Delivery Roller Conveyor to Tape Machine
- Tape Machine or Strapping Machine
- Roller Conveyor
(Subject to prior charge in favour of a lender extending a line of credit on receivables and inventory)"

4. Financing Statement registered as Number 10729705 on 2013-02-12 by Gray Aqua Processing, Ltd, as Debtor, in favour of Ozone International LLC, as Secured Party, expiring on 2018-02-12 and having the following general collateral description:

   *"(1) C-300ELW WHITEWATER SYSTEM (1) AM-20H AMBIENT OZONE MONITOR (1) OZ-2 TEST KIT, DISSOLVED OZONE ***ALL PARTS & ACCESSORIES***"*

5. Financing Statement registered as Number 10732998 on 2013-02-13, amended by Number 10781300 on 2013-03-07 by Gray Aqua Processing Ltd. and Gray Aqua Group Ltd., as Debtors, in favour of South Coast Community Development Corporation, as Secured Party, expiring on 2023-02-13 and having the following general collateral description:

   "a) all present and after acquired personal property including equipment, machinery, supplies and all others [sic] *assets owned by GRAY AQUA PROCESSING LTD.*
   b) specifically listed assets and/or property as follows: "B36 Portion Machine" (priority provided for this specifically financed item)"

   and having the following Additional Information:

   "There is a signed "Priority Agreement" between Business Development Bank of Canada (BDC) and the South Coast Community Development Corporation (SCCDC) and GRAY AQUA PROCESSING LTD giving the SCCDC specific priority over the BDC in relation to the "B36 Portion Machine" (Serial 15461.80.0587).

Added by registration number 10781300
The South Coast Community Development Corporation (SCCDC) provides priority over the "Plant Infeed System Project # SO19910" in favour of Central Community Development Corporation (CCDC). By way of this additional registration detail the SCCDC recognizes the first charge on the "Plant Infeed System Project # SO19910" by the CCDC."

6. Financing Statement registered as Number 10811776 on 2013-03-20 by Gray Aqua Processing Ltd., as Debtor, in favour of Central Community Development Corporation, as Secured Party, expiring on 2026-03-20 and having the following general collateral description:

   "Plant Infeed Project #SO19910, made up and including:
   Wash Tank & Conveyor, serial number M001185
   Pocket Conveyor, serial number 19940-007
   Vacuum Pump Motor, serial number C1207170822
   Pump, serial number 11-120P003059
   Tote Dumper, serial number M001137"

   and having the following Additional Information:

   "There is a signed Priority Agreement between the Business Development Bank of Canada (BDC), Central Community Development Corporation (CCDC) and Gray Aqua Processing Ltd. giving CCDC a first
   charge and priority over the BDC with respect to the Plant Infeed Project #SO19910, made up and including: Wash Tank & Conveyor, serial number M001185 Pocket Conveyor, serial number 19940-007 Vacuum Pump Motor, serial number C1207170822 Pump, serial number 11-120P003059 Tote Dumper, serial number M001137"

7. Financing Statement registered as Number 12259784 on 2014-08-26 by Gray Aqua Processing Ltd., as Debtor, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

8. Financing Statement registered as Number 12305421 on 2014-09-11 by Gray Aqua Processing Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2019-09-11 and having the following general collateral description:

"A security interest is taken in all of the Debtor's present and after-acquired personal property and all proceeds therefrom."

Butter Cove Aqua Farms Ltd.

1. Financing Statement registered as Number 9559550 on 2011-11-17, amended by Number 11594116 on 2013-12-17, by Butter Cove Aqua Farms Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor. Further, and not to limit the foregoing, a security interest is taken in the aquaculture site located at Butter Cove, Long Island, Bay D'Espoir, Newfoundland and Labrador bearing lease no. 130448, license no. AQ-1041 and permit no. WUL-07-031."

2. Financing Statement registered as Number 12259453 on 2014-08-26, by Butter Cove Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

Goblin Bay Aqua Farms Ltd.

1. Financing Statement registered as Number 9559578 on 2011-11-17, amended by Number 11594132 on 2013-12-17, by Goblin Bay Aqua Farms Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor. Further, and not to limit the foregoing, a security interest is taken in the aquaculture site located at Goblin Bay, Bay D'Espoir, Newfoundland and Labrador bearing lease no. 130445, license no. AQ-1040 and permit no. WUL-07-030."

2. Financing Statement registered as Number 12259743 on 2014-08-26, by Goblin Bay Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

"All of the Debtor's present and after acquired personal property and all proceeds thereof."

Jervis Island Aqua Farms Ltd.

1. Financing Statement registered as Number 9559630 on 2011-11-17, amended by Number 11594124 on 2013-12-17, by Jervis Island Aqua Farms Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor. Further, and not to limit the foregoing, a security interest is taken in the aquaculture site located at Jervis Island, Bay D'Espoir, Newfoundland and Labrador bearing lease no.130450, license no. AQ-1042 and permit no. WUL-07-022."

2. Financing Statement registered as Number 12259776 on 2014-08-26, by Jervis Island Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

Pass-My-Can Aqua Farms Ltd.

1. Financing Statement registered as Number 9559596 on 2011-11-17, amended by Number 11594108 on 2013-12-17, by Pass-My-Can Aqua Farms Ltd., as Debtor, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2021-11-17 and having the following general collateral description:

   "A security interest is taken in all present and after acquired personal property of the Debtor and all proceeds therefrom and except as charged by the foregoing a floating charge on all property, assets and undertaking of the Debtor. Further, and not to limit the foregoing, a security interest is taken in the aquaculture site located at Pass-My-Can, Northern Arm, Hermitage Bay, Newfoundland and Labrador bearing lease no. 130459, license no. AQ-1043 and permit no. WUL-07-023."

2. Financing Statement registered as Number 12259537 on 2014-08-26, by Pass-My-Can Aqua Farms Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

"All of the Debtor's present and after acquired personal property and all proceeds thereof."

608672 N.B. Ltd.

1. Financing Statement registered as Number 11588050 on 2013-12-13, by 608672 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 11589587 on 2013-12-13, by 608672 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Farms Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

3. Financing Statement registered as Number 12259354 on 2014-08-26 by 608672 N.B. Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

608690 N.B. Ltd.

1. Financing Statement registered as Number 11588068 on 2013-12-13, by 608690 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 11589595 on 2013-12-13, by 608690 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Farms Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title,

chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

3. Financing Statement registered as Number 12259297 on 2014-08-26 by 608690 N.B. Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

608691 N.B. Ltd.

1. Financing Statement registered as Number 11588001 on 2013-12-13, by 608691 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 11589561 on 2013-12-13, by 608691 N.B. Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Farms Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

3. Financing Statement registered as Number 12259339 on 2014-08-26 by 608691 N.B. Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

608715 NB Limited

1. Financing Statement registered as Number 11588076 on 2013-12-13, by 608715 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

"A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 11589751 on 2013-12-13 by 608715 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

3. Financing Statement registered as Number 12259396 on 2014-08-26 by 608715 NB Limited, as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-08-26 and having the following general collateral description:

   "All of the Debtor's present and after acquired personal property and all proceeds thereof."

608716 NB Limited

1. Financing Statement registered as Number 11588084 on 2013-12-13 by 608716 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the Debtor's present and after acquired personal property."

2. Financing Statement registered as Number 11589769 on 2013-12-13 by 608716 NB Limited, as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   "A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."

M. Gray Holdings Ltd.

1. Financing Statement registered as Number 11587904 on 2013-12-13 by M. Gray Holdings Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured

Party, expiring on 2018-12-13 and having the following general collateral description:

> *"A security interest is taken in all of the Debtor's present and after acquired personal property."*

2. Financing Statement registered as Number 11587979 on 2013-12-13 by M. Gray Holdings Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   > *"A security interest is taken in all of the Debtor's present and after acquired personal property."*

3. Financing Statement registered as Number 11589777 on 2013-12-13 by M. Gray Holdings Ltd. and M. Gray Holdings Ltd., as Debtors, in favour of Callidus Capital Corporation, as Secured Party, expiring on 2018-12-13 and having the following general collateral description:

   > *"A security interest is taken in all of the present and after acquired shares in the capital of Gray Aqua Processing Ltd. owned by the Debtor and all proceeds thereof in any form including goods, documents of title, chattel paper, securities, instruments, accounts, money or intangibles or any other personal property received when such collateral or proceeds are sold, collected, dealt with or otherwise disposed of."*

4. Financing Statement registered as Number 12303657 on 2014-09-11 by M. Gray Holdings Ltd., as Debtors, in favour of Business Development Bank of Canada, as Secured Party, expiring on 2024-09-11 and having the following general collateral description:

   > *"All of the Debtor's present and after acquired personal property and all proceeds thereof."*

THIS IS EXHIBIT "W" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

Real Property Searches

NEW BRUNSWICK

Gray Aqua Group Ltd.

PID 15085806
- Owner: N.B. Fisheries & Aquaculture
- Lessee: Gray Aqua Group Ltd
- Property type: Fisheries/Aquaculture - Aquaculture Lease Site
- Assessed Value: $26,900.00
- Encumbrances:
  - Covenant Holder - N.B. Natural Resources and Energy registered on 2002-03-08 as Number 13793097.
  - Lease, Notice of Lease or Sub-Lease - Gray Aqua Group Ltd. registered on 2007-12-18 as Number 24982929.
  - Assignment of Charge - Gray Aqua Group Ltd. registered on 2015-02-11 as Number 34608050.

PID 15181597
- Owner: Agriculture and Aquaculture
- Lessee: Gray Aqua Group Ltd.
- Water Lot
- Property type: Fisheries/Aquaculture - Aquaculture Site MF0504
- Assessed Value: $93,800.00
- Encumbrances:
  - Lease, Notice of Lease or Sub-Lease - Gray Aqua Group Ltd. registered on 2009-06-24 as Number 27334482.
  - Assignment of Lease - Gray Aqua Group Ltd. registered on 2015-01-28 as Number 34577115.
  - Assignment of Lease - Gray Aqua Group Ltd. registered on 2015-03-05 as Number 34659855.
  - Collateral Mortgage - 8676658 Canada Inc. registered on 2015-03-05 as Number 34660093.
  - Change of Terms - Gray Aqua Group Ltd. registered on 2015-06-30 as Number 34988973.

PID 15159502
- Owner: N.B. Fisheries & Aquaculture
- Lessee: Gray Aqua Group Ltd.
- Water Lot
- Property type: Fisheries/Aquaculture - Aquaculture Lease MF-0084
- Assessed Value: $72,800.00
- Encumbrances:
  - Lease, Notice of Lease or Sub-Lease - Gray Aqua Group Ltd. registered on 2004-08-25 as Number 18984535.

- Assignment of Lease - Gray Aqua Group Ltd. registered on 2015-01-28 as Number 34577180.
- Assignment of Lease - Gray Aqua Group Ltd. registered on 2015-03-05 as Number 34659905.
- Collateral Mortgage - 8676658 Canada Inc. registered on 2015-03-05 as Number 34660093.

PID 15065899

- Owner: N.B. Fisheries & Aquaculture
- Lessee: Gray Aqua Group Ltd.
- Water Lot
- Property type: Fisheries/Aquaculture - Aquaculture Lease MF-0084
- Assessed Value: $72,800.00
- Encumbrances:
  - Lease, Notice of Lease or Sub-Lease - Gray Aqua Group Ltd. registered on 2004-08-25 as Number 18984535.
  - Assignment of Lease - Gray Aqua Group Ltd. registered on 2015-01-28 as Number 34577180.
  - Assignment of Lease - Gray Aqua Group Ltd. registered on 2015-03-05 as Number 34659913.
  - Collateral Mortgage - 8676658 Canada Inc. registered on 2015-03-05 as Number 34660093.

Gray's Aqua Management Ltd.

PID 10241479

- Owners: Slipp, Frank Terrence (In Trust) and Slipp, Marjorie Ann (Estate)
- Lessee: Gray's Aqua Management Ltd. and Gray's Aqua Company Ltd.
- Property type: Warehouses (Including Cold Storage Plants)
- Assessed Value: $626,500.00
- Encumbrances:
  1. Lease, Notice of Lease or Sub-Lease – Gray's Aqua Company Ltd. registered on 1999-12-30 as Number 10747567.
  2. Agreement Re: Use of Land – Gray's Aqua Company Ltd. registered on 1999-12-30 as Number 10747625.
  3. Lease, Notice of Lease or Sub-Lease – Gray's Aqua Management Ltd. registered on 2003-08-08 as Number 16796352.
  4. Mortgage - Business Development Bank of Canada registered on 2010-09-13 as Number 29210318
  5. Mortgage - Business Development Bank of Canada registered on 2010-09-23 as Number 29258010.
  6. Mortgage - Callidus Capital Corporation registered on 2014-10-22 as Number 34301698.

PID 10276160

- Owners: Slipp, Frank Terrence (In Trust) and Slipp, Marjorie Ann (Estate)
- Lessee: Gray's Aqua Management Ltd. and Gray's Aqua Company Ltd.

- Property type: Residential
- Assessed Value: $8,500.00
- Encumbrances:
  1. Lease, Notice of Lease or Sub-Lease – Gray's Aqua Company Ltd. registered on 1999-12-30 as Number 10747567.
  2. Agreement Re: Use of Land – Gray's Aqua Company Ltd. registered on 1999-12-30 as Number 10747625.
  7. Lease, Notice of Lease or Sub-Lease – Gray's Aqua Management Ltd. registered on 2003-08-08 as Number 16796352.
  3. Mortgage - Business Development Bank of Canada registered on 2010-09-13 as Number 29210318
  4. Mortgage - Business Development Bank of Canada registered on 2010-09-23 as Number 29258010.
  5. Mortgage - Callidus Capital Corporation registered on 2014-10-22 as Number 34301698.

Gray Aqua Farms Ltd.

PID 10241453
- Owners: Slipp, Frank Terrence (In Trust) and Slipp, Marjorie Ann (Estate)
- Lessee: Gray Aqua Farms Ltd.
- Property type: Fisheries/Aquaculture
- Assessed Value: $477,900.00
- Encumbrances:
  1. Easement - New Brunswick Power Corporation registered on 1970-05-29 as Number 115481.
  2. Lease - Gray Aqua Farms Ltd. registered on 1992-06-08 as Number 176849.
  3. Lease, Notice of Lease or Sub-Lease - Gray Aqua Farms Ltd. registered on 2003-08-08 as Number 16796287.
  4. Mortgage - Business Development Bank of Canada registered on 2009-03-10 as Number 26903766.
  5. Mortgage - Business Development Bank of Canada registered on 2012-05-10 as Number 31449193.
  6. Mortgage - Callidus Capital Corporation registered on 2014-10-22 as Number 34301672.

PID 10276152
- Owners: Slipp, Frank Terrence (In Trust) and Slipp, Marjorie Ann (Estate)
- Lessee: Gray Aqua Farms Ltd.
- Property type: Residential
- Assessed Value: $191,700.00
- Encumbrances:
  1. Easement - New Brunswick Power Corporation registered on 1970-05-29 as Number 115481.
  2. Lease - Gray Aqua Farms Ltd. registered on 1992-06-08 as Number 176849.

3. Lease, Notice of Lease or Sub-Lease - Gray Aqua Farms Ltd. registered on 2003-08-08 as Number 16796287.
4. Mortgage - Business Development Bank of Canada registered on 2009-03-10 as Number 26903766.
5. Mortgage - Business Development Bank of Canada registered on 2012-05-10 as Number 31449193.
6. Mortgage - Callidus Capital Corporation registered on 2014-10-22 as Number 34301672.

Gray Aqua Processing Ltd.
- Nil

Butter Cove Aqua Farms Ltd.
- Nil

Goblin Bay Aqua Farm Ltd.
- Nil

Jervis Island Aqua Farms Ltd.
- Nil

Pass-My-Can Aqua Farms Ltd.
- Nil

608672 N.B. Ltd.
- Nil

608690 N.B. Ltd.
- Nil

608691 N.B. Ltd.
- Nil

608715 NB Limited
- Nil

608716 NB Limited
- Nil

M. Gray Holdings Ltd.
- Nil

NEWFOUNDLAND AND LABRADOR

Gray Aqua Group Ltd.

Registration No. 482051
- Document: Conveyance from William Roberts and Deborah Roberts to Gray Aqua Group Ltd.
- Location, Community: Highway 363, Hermitage, NL
- Registration Date: 26 September 2011

Registration No. 685688
- Document: Notice of Mortgage by Gray Aqua Group Ltd. in favour of Callidus Capital Corporation
- Location, Community: Hermitage, Bay d'Espoir; Great Jervis Island, Bay d'Espoir; Butter Cove, Bay d'Espoir; Indian Tea Point, Bay d'Espoir; Wallace Cove, Bay d'Espoir; Mare Cove, Bay d'Espoir; Bay d'Espoir
- Registration Date: 24 November 2014

Gray's Aqua Management Ltd.
- Nil

Gray Aqua Farms Ltd.
- Nil

Gray Aqua Processing Ltd.

Registration No. 468146
- Document: Conveyance from Ocean Choice International L.P. and 55104 Newfoundland and Labrador Inc. to Gray Aqua Processing Ltd.
- Location, Community: Hermitage
- Registration Date: 18 July 2011

Registration No. 468164
- Document: Notice of Mortgage by Gray Aqua Processing Ltd. in favour of Business Development Bank of Canada
- Location, Community: Hermitage
- Registration Date: 18 July 2011

Registration No. 537631
- Document: Notice of Mortgage by Gray Aqua Processing Ltd. in favour of Business Development Bank of Canada
- Location, Community: Hermitage
- Registration Date: 5 July 2012

Registration No. 685689
- Document: Notice of Mortgage by Gray Aqua Processing Ltd. in favour of Callidus Capital Corporation
- Location, Community: Hermitage
- Registration Date: 24 November 2014

Butter Cove Aqua Farms Ltd.

Registration No. 495977
- Document: Debenture from Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd. and Pass-My-Can Aqua Farms Ltd. in favour of HSBC Bank Canada
- Location, Community: Butter Cove; Goblin Bay; Great Jervis Island; Pass My Can
- Registration Date: 23 November 2011

Registration No. 685686
- Document: Notice of Mortgage by Butter Cove Aqua Farms Ltd. in favour of Callidus Capital Corporation
- Location, Community: Butter Cove, Bay d'Espoir
- Registration Date: 24 November 2014

Goblin Bay Aqua Farms Ltd.

Registration No. 495977
- Document: Debenture from Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd. and Pass-My-Can Aqua Farms Ltd. in favour of HSBC Bank Canada
- Location, Community: Butter Cove; Goblin Bay; Great Jervis Island; Pass My Can
- Registration Date: 23 November 2011

Registration No. 685685
- Document: Notice of Mortgage by Goblin Bay Aqua Farms Ltd. in favour of Callidus Capital Corporation
- Location, Community: Butter Cove, Bay d'Espoir
- Registration Date: 24 November 2014

Jervis Island Aqua Farms Ltd.

Registration No. 495977
- Document: Debenture from Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd. and Pass-My-Can Aqua Farms Ltd. in favour of HSBC Bank Canada
- Location, Community: Butter Cove; Goblin Bay; Great Jervis Island; Pass My Can
- Registration Date: 23 November 2011

Pass-My-Can Aqua Farms Ltd.

Registration No. 495977

- Document: Debenture from Butter Cove Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd. and Pass-My-Can Aqua Farms Ltd. in favour of HSBC Bank Canada
- Location, Community: Butter Cove; Goblin Bay; Great Jervis Island; Pass My Can
- Registration Date: 23 November 2011

Registration No. 685687

- Document: Notice of Mortgage by Pass-My-Can Aqua Farms Ltd. in favour of Callidus Capital Corporation
- Location, Community: Pass My Can, Bay d'Espoir
- Registration Date: 24 November 2014

608672 N.B. Ltd.

- Nil

608690 N.B. Ltd.

- Nil

608691 N.B. Ltd.

- Nil

608715 NB Limited

- Nil

608716 NB Limited

- Nil

M. Gray Holdings Ltd.

- Nil

THIS IS EXHIBIT "X" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT, dated as of March ___, 2015, is made among,

BUSINESS DEVELOPMENT BANK OF CANADA ("BDC"),

- and -

CALLIDUS CAPITAL CORPORATION ("Callidus"),

- and –

GRAY AQUA FARMS LTD., GRAY AQUA MANAGEMENT LTD., GRAY AQUA GROUP LTD., GRAY AQUA PROCESSING LTD., BUTTER COVE AQUA FARM LTD., GOBLIN BAY AQUA FARM LTD., JERVIS ISLAND AQUA FARM LTD., PASS-MY-CAN AQUA FARM LTD., 608691 N.B. LTD., 608672 N.B. LTD., 608690 N.B. LTD., 608715 N.B. LIMITED, 608716 N.B. LIMITED AND M. GRAY HOLDINGS LTD., as applicable as borrowers and as guarantors (collectively the "**Gray Group**" or the "**Corporations**")

RECITALS

A. The Gray Group entered into various loan and security agreements with BDC (as amended, restated, modified or supplemented from time to time, collectively, the "**BDC Agreements**") pursuant to which the Gray Group are indebted to BDC and the Gray Group granted, or will be granting, BDC security by liens on, and security interests in, all of the now existing and hereafter acquired real and personal property of the Gray Group (collectively, the "**BDC Collateral**").

B. The Gray Group entered into various loan and security agreements with Callidus (as amended, restated, modified or supplemented from time to time, collectively, the "**Callidus Agreements**") pursuant to which the Gray Group are indebted to Callidus and the Gray Group granted, or will be granting, Callidus security by liens on, and security interests in, all of the now existing and hereafter acquired real and personal property of the Gray Group (collectively, the "**Callidus Collateral**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In addition to capitalized terms defined elsewhere in this Agreement, the following capitalized words and phrases shall have the respective meanings set forth below:

"**Agreement**" shall mean this inter-creditor agreement (including the exhibits and schedules hereto) as it may be amended, replaced or restated from time to time.

"**Bankruptcy Legislation**" shall mean each of the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), in each case, as amended from time to time, and, in each case, any successor statute and all rules and regulations promulgated thereunder and any other similar legislation of any applicable jurisdiction.

"**BDC Liabilities**" shall mean all Liabilities of the Corporations to BDC from time to time outstanding, including, in the event of an Insolvency or Liquidation Proceeding, any and all post-petition interest and costs from and after the date of filing of a petition by or against any Corporation under any Bankruptcy Legislation, whether or not such interest and costs are allowed as a claim in any such proceeding or enforceable or recoverable against any Corporation or their respective bankruptcy estates.

"**BDC Priority Collateral**" shall mean the Collateral described in Exhibit A to this Agreement.

"**BDC Priority Collateral Realty**" shall mean all lands and buildings whether owned or leased by any Corporation comprising all or any portion of the BDC Priority Collateral.

"**BDC Security**" shall mean all security interests, liens, charges, mortgages, pledges, encumbrances, and security of any type or form granted, pledged or provided by the Corporations (or any of them) and any other Person to secure the BDC Liabilities.

"**Callidus Liabilities**" shall mean all Liabilities of the Corporations to Callidus from time to time outstanding, including, in the event of an Insolvency or Liquidation Proceeding, any and all post-petition interest and costs from and after the date of filing of a petition by or against any Corporation under any Bankruptcy Legislation, whether or not such interest and costs are allowed as a claim in any such proceeding or enforceable or recoverable against any Corporation or their respective bankruptcy estates.

"**Callidus Priority Collateral**" shall mean the Collateral described in Exhibit B to this Agreement.

"**Callidus Security**" shall mean all security interests, liens, charges, mortgages, pledges, encumbrances, and security of any type or form granted, pledged or provided by the Corporations (or any of them) and any other Person to secure the Callidus Liabilities.

"**Collateral**" shall mean all of the now existing and hereafter acquired real and personal property of the Corporations and of any other Person which now or hereafter grants a lien or security interest in any of its present or after acquired real or personal property as security for the obligations of any of the Corporations or of such Persons to and in favour of or for the benefit of any Lender.

"**Corporations**" shall mean the Gray Group, and any Person that becomes a guarantor of the obligations of any of the aforementioned Corporations to a Lender pursuant to the any of the Debt Documents and their respective successors and assigns permitted under any of the Debt Documents and "Corporation" shall mean any one of them as the context requires.

"**Debt Documents**" shall mean the BDC Credit Agreements and the Callidus Credit Agreements, as in effect on the date hereof and as each may from time to time be amended, restated, supplemented or otherwise modified from time to time.

"**Distribution**" shall mean, with respect to any indebtedness, ownership interest or other obligations, (a) any payment or distribution by any Person of cash, securities or other property, by set-off or otherwise, on account of such indebtedness, ownership interest or obligation, (b) any redemption, purchase or other acquisition of such indebtedness, ownership interest or obligation by any Person or (c) the granting of any lien or security interest to or for the benefit of the holders of such indebtedness, ownership interest or obligation in or upon any property of any Person.

"**Finally Paid or Final Payment**" shall mean with respect to any Liabilities, the final and indefeasible payment in full in cash in immediately available Canadian Dollars and the termination of all commitments to lend under the applicable Debt Documents.

"**Fish Inventory**" means smolts, fry or fish at any stage of maturity.

"**Hatchery**" means that parcel of real property located at Route 105, Northhampton, NB and identified by PID 10241453 and PID 10276152 together with all personal property used in association therewith including, without limiting the foregoing, all licences, permits and approvals to operate.

"**Insolvency or Liquidation Proceeding**" shall mean (a) any voluntary or involuntary insolvency or bankruptcy case or proceeding (including any case under any of the Bankruptcy Legislation) or any examination, receivership, custodianship, liquidation, reorganization or other similar case or proceeding, with respect to any Corporation or any or all of their respective assets, (b) any liquidation, dissolution, reorganization or winding up of any Corporation, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, (c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Corporation, or (d) any sale, transfer or other disposition of all or substantially all of the assets of any Corporation in connection with any of the foregoing.

"**Lenders**" shall mean the BDC and Callidus and "**Lender**" shall mean any one of them.

"**Liabilities**" shall mean all obligations of any Corporation to any Person, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due including, without limitation, any indebtedness for borrowed money and any obligations and liabilities in respect of currency hedging agreements.

"**Lien**" means: (i) a lien, charge, mortgage, pledge, security interest or conditional sale agreement; (ii) an assignment, lease, consignment, trust or deemed trust that secures payment or performance of an obligation; (iii) a garnishment; (iv) any other encumbrance of any kind; and (v) any commitment or agreement to enter into or grant any of the foregoing.

"**Ocean Sites**" means those parcels of real property located in the ocean for rearing Fish Inventory which are more particularly described in Schedule 2hereto.

"**Person**" shall mean any natural person, corporation, general or limited partnership, limited liability Corporation, firm, trust, association, government, governmental agency or other entity, whether acting in an individual, fiduciary or other capacity and shall include the heirs, executors, administrators, successors and assigns of any of them.

"**Security**" means the BDC Security and the Callidus Security.

1.02 Currency References

All amounts referred to in this Agreement are in Canadian Dollars unless otherwise noted.

1.03 References to Statutes

Whenever in this Agreement reference is made to a statute or regulations made pursuant to a statute, such reference shall, unless otherwise specified, be deemed to include all amendments to such statute or regulations from time to time and all statutes or regulations which may come into effect from time to time substantially in replacement for the said statutes or regulations.

1.04 References to Persons

Whenever in this Agreement reference is made to a Person, such reference shall, unless otherwise specified, be deemed to include all such Person's successors and assigns permitted pursuant to any of this Agreement or the Debt Documents.

1.05 Exhibits and Schedules

The following are attached to this Agreement and are incorporated herein by reference:

Exhibit A - BDC Priority Collateral
Exhibit B - Callidus Priority Collateral
Schedule 1 – BDC Priority Asset Listing

ARTICLE 2 - COLLATERAL AND PRIORITY

2.01 Consent to Creation of Indebtedness and Granting of Security

Notwithstanding any contrary provision contained in any agreement or security document between or among any one or more of the parties hereto, but subject to the terms and conditions of this Agreement, each of the parties hereto hereby consents to the creation and continued existence of the obligations represented by, and the security under, the Debt Documents and to the execution and delivery by the Corporation thereof, including the execution and delivery of the Security.

2.02 Priority Among the Lenders

The Lenders acknowledge and agree that, subject to the terms and conditions of this Agreement,

(a) Any Liens granted to Callidus in and to the BDC Priority Collateral shall be, and in all respects are hereby absolutely and unconditionally subordinated to the Liens on the BDC Priority Collateral in favour of BDC (it being agreed by all parties hereto that BDC has first priority security interest in all BDC Priority Collateral); and

(b) Any Liens granted to BDC in and to the Callidus Priority Collateral shall be, and in all respects are hereby absolutely and unconditionally subordinated to the Liens on the Callidus Priority Collateral in favour of Callidus (it being agreed by all parties hereto that the Callidus has a first priority security interest in all Callidus Priority Collateral).

2.03 Rights and Obligations with respect to the BDC Priority Collateral

The Lenders hereby agree as follows as to their respective rights and obligations with respect to the BDC Priority Collateral:

(a) BDC Right to Act

BDC may at any time and from time to time, at its option, take any action to foreclose or realize upon or enforce any of its rights with respect to the BDC Priority Collateral or enter into such agreement or agreements with any Corporation as BDC may deem proper, altering the terms of all or any of the obligations secured by the BDC Priority Collateral or exchange, sell, release, surrender or otherwise deal with the BDC Priority Collateral and the BDC Security, all without notice to or consent by Callidus (subject only to Article 5 and Article 7 hereof) and without in any way impairing or affecting this Agreement thereby and without any obligation or other liability of BDC to Callidus.

(b) Restrictions on Enforcement Actions Against BDC Priority Collateral

So long as BDC has any interest in the BDC Priority Collateral, and except as otherwise provided for in Article 3 and elsewhere in this Agreement, Callidus will not: (i) exercise any realization rights with respect to the BDC Priority Collateral, (ii) take possession of, sell or dispose of, or otherwise deal with, the BDC Priority Collateral, or (iii) exercise or enforce any right or remedy which may be available to Callidus with respect to the BDC Priority Collateral provided that nothing herein shall prohibit Callidus from accelerating the indebtedness represented by the Callidus Liabilities. If any BDC Priority Collateral comes into the possession of Callidus while BDC has any interest in the BDC Priority Collateral, Callidus shall hold the same in trust for BDC and, subject to the provisions of Article 3, shall promptly deliver same to BDC. BDC shall have no duty to Callidus to preserve, protect, care for, insure, take possession of, collect, dispose of or otherwise realize upon any of the BDC Priority Collateral.

(c) No Contesting Validity of BDC Security

Callidus shall not contest, take any action contesting, or support any action contesting the validity, perfection, or enforceability of the BDC Security or any Lien granted to BDC in the Collateral or the priority of same except that Callidus may contest or support any action contesting a claim of priority by BDC inconsistent with this Agreement. The Lenders agree that, as among themselves, the priorities of their interests in respect of the Security shall be effective and distributions shall be made in accordance with this Agreement, regardless of whether any of the Lenders' claims, as applicable, are invalid or unenforceable or the Liens securing any such claim as applicable, shall not have been perfected.

(d) Application of Proceeds of BDC Priority Collateral

All proceeds of the BDC Priority Collateral shall be paid to BDC, for application to the BDC Liabilities and to other Liabilities all in accordance with Section 2.09(b) hereof.

2.04 Rights and Obligations with respect to the Callidus Priority Collateral

The Lenders hereby agree as follows as to their respective rights and obligations with respect to the Callidus Priority Collateral:

(a) Callidus Right to Act

Callidus may at any time and from time to time, at their option, take any action to foreclose or realize upon or enforce any of their rights with respect to the Callidus Priority Collateral or enter into such agreement or agreements with any Corporation as Callidus may deem proper altering the terms of all or any of the obligations secured by the Callidus Priority Collateral or exchange, sell, release, surrender or otherwise deal with the Callidus Priority Collateral and the Callidus Security, all without notice to or consent by the BDC (subject only to Article 5 and Article 7 hereof) and without in any way impairing or affecting this Agreement thereby and without any obligation or other liability of Callidus to BDC.

(b) Restrictions on Enforcement Actions Against Callidus Priority Collateral

So long as Callidus has any interest in the Callidus Priority Collateral, and except as otherwise provided for in Article 3 and elsewhere in this Agreement, BDC will not: (i) exercise any realization rights with respect to the Callidus Priority Collateral, (ii) take possession of, sell or dispose of, or otherwise deal with, the Callidus Priority Collateral, or (iii) exercise or enforce any right or remedy which may be available to BDC with respect to the Callidus Priority Collateral provided that nothing herein shall prohibit BDC from accelerating the indebtedness represented by the BDC

Liabilities. If any Callidus Priority Collateral comes into the possession of BDC while Callidus has any interest in the Callidus Priority Collateral, BDC shall hold the same in trust for Callidus, subject to the provisions of Article 3. Callidus shall have no duty to BDC to preserve, protect, care for, insure, take possession of, collect, dispose of or otherwise realize upon any of the Callidus Priority Collateral.

(c) No Contesting Validity of Callidus Security

BDC shall not contest, take any action contesting, or support any action contesting the validity, perfection, or enforceability of the Callidus Security or any Lien granted to Callidus in the Collateral or the priority of same except that BDC may contest or support any action contesting a claim of priority by Callidus inconsistent with this Agreement. The Lenders agree that, as among themselves, the priorities of their interests in respect of the Security shall be effective and distributions shall be made in accordance with this Agreement, regardless of whether any of the Lenders' claims, as applicable, are invalid or unenforceable or the Liens securing any such claim as applicable, shall not have been perfected.

(d) Application of Proceeds of Callidus Priority Collateral

All proceeds of the Callidus Priority Collateral shall be paid to Callidus for application to the Callidus Liabilities and to other Liabilities all in accordance with Section 2.09(a) hereof.

2.05 Exclusions from BDC Collateral

The Lenders and the Corporations hereby agree that: i) the Collateral encumbered by the BDC Security shall not at any time include Fish Inventory located on the Ocean Sites or any aquaculture site leases, licences or permits related to the Ocean Sites, and ii) BDC shall have no obligation to act in relation to the Ocean Sites or any Fish Inventory located thereon and each of Callidus and the Corporations release any claim as against BDC in relation to any inaction in relation to the Ocean Sites.

2.06 Marshalling

Each Lender hereby waives any rights it has or may have in the future to require the other Lender to marshal its interest in any Collateral.

2.07 Accountings

Each Lender agrees that any Lender which has commenced any action to enforce or realize upon any Collateral shall render an accounting to the other Lender upon reasonable written request therefor from time to time as to the amount of its outstanding Liabilities and as to the application of proceeds of Collateral with respect thereto.

2.08 Possessed Collateral

(a) To the extent that any of the Lenders is in possession of any Collateral, such Lender shall hold such Collateral ("**Possessed Collateral**") as gratuitous bailee for and on behalf of all Lenders solely for the purposes of perfecting the security interest granted in the Possessed Collateral pursuant to the Debt Documents. The rights, if any, of the Lenders in respect of the Possessed Collateral shall at all times be subject to the terms of this Agreement and to the rights of each Lender under the applicable Debt Documents. Upon the termination of the BDC Agreements and the Final Payment of all amounts due thereunder, BDC shall deliver to Callidus all Possessed Collateral in its possession. Upon the termination of the Callidus Agreements and the Final Payment of all amounts due thereunder, Callidus shall deliver to BDC all Possessed Collateral in its possession.

(b) No Lender shall have any obligation whatsoever to any other Lender to assure that the Possessed Collateral at any time in its possession is genuine and owned by any Corporation, or to preserve rights or benefits of any Person except as expressly set forth in this Section 2.08. The duties and responsibilities of each of the Lenders, as applicable, under this Section 2.08 shall be limited solely to holding the Possessed Collateral in its possession as gratuitous bailee for and on behalf of all Lenders for the purpose described in Section 2.08(a). Each Lender that holds Possessed Collateral, (i) shall not be obligated to recognize, and shall not have any liability or responsibility arising under, any agreement, document or instrument to which it is not a party, (ii) may rely upon any agreement, document or instrument believed by it to be genuine and sufficient and properly presented and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof, (iii) shall not be liable or responsible for any act it may do or omit to do except to the extent of its wilful misconduct or gross negligence, (iv) in case any Possessed Collateral shall be attached, garnished or levied upon by any order of a court, or the delivery thereof shall be stayed or enjoined by any order of a court, or any other writ, order, judgment or decree shall be made or entered by any court affecting such property, or any part thereof, is expressly authorized in its sole discretion to obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, and in each case such Lender obeys and complies with any such writ, order, judgment or decree, it shall not be liable to any other Lender or to any other Person by reason of such compliance even if such writ, order, judgment or decree is subsequently reversed, modified, annulled, set aside or vacated, (v) shall not be responsible or liable for any forgery or fraudulent impersonations of any Person other than itself and (vi) shall not be required to make any determination with respect to any controversy which may arise between any party to this Agreement and any other Person with respect to the transactions contemplated by the Debt Documents.

(c) None of the Lenders shall be under any obligation to institute or defend any action, suit or other proceeding or take any other action against any person in connection with the Possessed Collateral provided however that the Lender in possession of such Possessed Collateral shall deliver possession thereof to the Lender having priority in such Possessed Collateral pursuant to the terms of this Agreement or to the agent of such Lender. The Lenders shall be entitled to rely upon any writing or other document believed by such party to be genuine and correct and to have been signed, sent or made by the proper Person. Each of the Lenders may consult with counsel with respect to any question arising hereunder or in connection herewith and such party shall not be liable for any action taken or omitted to be taken upon advice of such counsel.

2.09 Application of Proceeds of Collateral and Other Payments

(a) Proceeds of Callidus Priority Collateral received by or for the benefit of any Lender shall be paid and applied in satisfaction of the Callidus Liabilities until they have been Finally Paid and shall be applied in the following order:

(i) First, in payment of all costs, expenses, principal, interest, fees, reimbursements, indemnities and any other amounts of any kind due, owing or payable at any time pursuant to or in accordance with the Callidus Agreements; and

(ii) Second, the balance, if any, to be paid over to the BDC for its benefit until Final Payment of the BDC Liabilities provided it is legally entitled thereto and if there is any challenge to such entitlement by any third party then such amounts shall be paid into a court of competent jurisdiction to resolve any such competing claims.

(b) Proceeds of BDC Priority Collateral received by or for the benefit of any Lender shall be paid and applied in satisfaction of the BDC Liabilities until they have been Finally Paid and shall be applied in the following order:

(i) First, in payment of all costs, expenses, principal, interest, fees, reimbursements, indemnities and any other amounts of any kind due, owing or payable at any time pursuant to or in accordance with the BDC Agreements; and

(ii) Second, the balance, if any, to be paid over to Callidus for its benefit until Final Payment of the Callidus Liabilities provided it is legally entitled thereto and if there is any challenge to such entitlement by any third party then such amounts shall be paid into a court of competent jurisdiction to resolve any such competing claims.

2.10 Insurance Loss Proceeds

The Lenders agree to be named as co-loss payees with respect to all property or casualty insurance policies of the Corporations over Collateral in which each holds an interest. Any proceeds, including, without limitation, any insurance proceeds received by any of the Corporations or by BDC or Callidus in respect of the collateral charged by the BDC Security or the Callidus Security shall be dealt with according to the preceding provisions hereof as though such proceeds were paid or payable as proceeds of realization of the Collateral for which they compensate.

2.11 Agreement to Govern Priorities

This Agreement shall, as among the Lenders, evidence and govern the priorities of the Security in all respects, regardless of whether or not perfection of the Liens under the Security has occurred, regardless of the priorities otherwise accorded to the Security by any principle of law or any statute, including personal property security legislation and the Uniform Commercial Code, and in particular, without regard to the respective terms or conditions of the Debt Documents, and without regard to the time, sequence, or, manner of:

(a) the creation, grant, execution or delivery of the Security;

(b) the attachment or perfection of the liens and security interests under the Security;

(c) the registration of, or in respect of, the Security or the filing of financing statements or other instruments or documents with respect thereto;

(d) any default in respect of, or crystallization or realization of any liens or security interests under the Security;

(e) any notice to, or demand upon, the Corporations or any of them or to any other Person (or the failure to give any notice or demand);

(f) any advance or other extension of credit to the Corporations or any of them; or

(g) any provisions of any of the Security.

2.12 Appointment of Receiver

Nothing in this Agreement shall be construed as interfering with the right of any Lender to appoint a receiver, a receiver and manager, a liquidator, agent or other Person in order to act and realize upon its Security provided that BDC shall not exercise such rights in a manner which would interfere with the use by Callidus of certain Collateral during the period of use in Article 3 hereof so long as Callidus makes payment of the monthly lease and license fee required in Section 3.02(b) hereof. Any such receiver, receiver and manager, liquidator, agent or other Person shall be bound by the priorities and other terms and conditions set forth in this Agreement.

ARTICLE 3- USE OF ASSETS

3.01 Definitions

(a) In this ARTICLE 3 the parties agree that the following capitalized terms shall have the respective meanings set out below:

(i) "**Abandoned Fish Inventory**" means the Fish Inventory located on BDC Priority Collateral Realty in respect of which BDC has given an Enforcement Notice or a notice of possession pursuant to Section 3.04(a) that, upon the expiry of the First Interim Period or Second Interim Period, as the case may be, Callidus has not taken possession or control of or have not provided notice to BDC of its intention to take possession or control of;

(ii) "**First Interim Period**" means the period commencing on the date that BDC provides written notice to Callidus of its intention to enforce the BDC Security pursuant to Section 5.01 (a) (iv) of this Agreement (the "**Enforcement Notice**") and ending twenty (20) Business Days thereafter; and

(iii) "**Second Interim Period**" means the period commencing on the date that BDC gives written notice to Callidus that it has taken possession or control of any BDC Priority Collateral Realty (the "**Possession Date**") on which any Fish Inventory is situate and ending on the earlier of (i) the expiry of the First Interim Period; and (ii) ten (10) Business Days after the Possession Date;

(b) All references in this ARTICLE 3 to "Callidus" or "BDC" shall be deemed to include, as applicable, any receiver, receiver and manager, liquidator, agent, consultant, or employee of such party as applicable.

3.02 Callidus' Use of Assets

(a) Notwithstanding that, and irrespective of whether, BDC has commenced realization pursuant to the BDC Security and has taken possession of any of the BDC Priority Collateral over which it holds security, if Callidus enforces the Callidus Security they shall have the right and license to enter upon all or any part of the BDC Priority Collateral Realty and use all or any part of the BDC Priority Collateral in order to assemble, appraise, display, remove, maintain, prepare for sale, collect, transfer, grow-out to market size, rear, harvest, process and sell all or any portions of the Callidus Priority Collateral (including without limitation, any smolts, fry and fish of any stage of maturity) for such period of time as may be reasonably required to carry out all or any of the foregoing; provided that such right and license shall expire not later than: (i) eighteen (18) months less the age of the Fish Inventory located at the Hatchery from the date upon which BDC receives notice from Callidus as provided for in this Section 3.02(a) for use of the Hatchery; (ii) the period in (i) plus eighteen (18) months from: (a) the date upon which BDC receives notice from Callidus as provided for in this Section 3.02(a) for use of the vessels known as the AEG Feeder and the Atlantic Harvester forming part of the BDC Priority Collateral listed in Schedule 1 hereto (collectively, the "Vessels"); and (b) the date upon which BDC receives notice from Callidus as provided for in this Section 3.02(a) for use of the remainder of the BDC Priority Collateral listed in Schedule 1 hereto. Such right and license shall be exercised by Callidus providing written notice of exercise of such right and license to BDC within ten (10) Business Days of BDC or Callidus (whichever occurs first) gaining possession or control of such BDC Priority Collateral Realty on which any Fish Inventory is located. Callidus may terminate this right of use of all or any part of such of the BDC Priority Collateral upon ten (10) Business Days' notice in writing to BDC given at any time after the commencement of such period of use and pay any amount due to BDC within 10 days thereafter.

(b) Callidus shall pay to BDC, as consideration for the use set out in this Section 3.02 (i) a monthly lease and license fee in the amount of the regular principal and interest payments due from Gray Aqua Farms Ltd. and Gray Aqua Management Ltd. for the credit facilities advanced by BDC under loans numbered 053001-01, 053001-02 and 059711-01, monthly in arrears on the last day of the month for the use of the Hatchery; (ii) a monthly lease and license fee in the amount of the regular principal and interest payments due from Gray Aqua Group Ltd. and Gray Aqua Processing Ltd. for the credit facilities advanced by BDC under loans numbered 062492-02 and 049865-03, monthly in arrears on the last day of the month for the use of the Vessels; and (iii) a monthly lease and license fee in the amount of $1,906.67, monthly in arrears on the last day of the month for use of the remainder of the BDC Priority Collateral listed in Schedule 1 hereto. In addition, Callidus shall pay all realty taxes, utilities, repairs, and maintenance and custodial expenses during its period of use. Notwithstanding the foregoing, should Callidus issue a notice that it is terminating its use of only certain items of the BDC Priority Collateral (the "**Released Asset**") in Section 3.02(a), Callidus and BDC shall, each acting reasonably, determine the value of the Released Asset as a percentage of the value of all of the BDC Priority Collateral in use by Callidus and reduce the payment due from Callidus by that same percentage. Notwithstanding anything else contained herein, Callidus shall not have use of any BDC Priority Collateral which is property of Gray Aqua Processing Ltd. save and except the vessel identified as Atlantic Harvester II. The amount of the payments to be made hereunder is set out in Schedule 3 hereto.

(c) Callidus agrees to maintain, for the benefit of BDC during the period of use in respect of any BDC Priority Collateral used, insurance for third party liability and for loss or damage to such BDC Priority Collateral in amounts and types previously maintained by the applicable Corporation for such Collateral. Callidus shall provide to BDC satisfactory evidence of such coverage.

(d) During the period of use of any BDC Priority Collateral, Callidus shall maintain such BDC Priority Collateral in the condition that it was at the commencement of the period of use and shall repair any damage howsoever caused occurring during such period, save and except only reasonable wear and tear.

(e) During the period of use, Callidus shall comply with the requirements of all laws, by-laws, regulations, ordinances and orders which govern the use of the BDC Priority Collateral and with the requirements applicable to any insurance covering the BDC Priority Collateral.

(f) Callidus agrees to indemnify and save harmless BDC against and from all loss, costs and damages (including legal expenses on a solicitor and client basis) which BDC may suffer, incur or become liable for by reason of, or arising out of (i) damage to or deterioration of the BDC Priority Collateral during the period of use, normal wear and tear excepted and (ii) personal injury or death of any person making use of or on any BDC Priority Collateral or as a result of Callidus' use of same during the period of possession. For greater certainty, Callidus shall not be responsible for any loss, costs, and damages caused by BDC or its agents. Callidus may, at its sole option, conduct a phase one environmental assessment of such BDC Priority Collateral as it proposes to use pursuant to the terms of this Section 3.02 prior to possessing same and agree to deliver a copy thereof to BDC. Callidus further agrees to maintain such BDC Priority Collateral used in accordance with applicable environmental standards, guidelines, and legislation and to clean, repair and remediate any BDC Priority Collateral in the possession of Callidus pursuant to this Section 3.02; provided that nothing herein obligates Callidus to remediate any BDC Priority Collateral in their possession pursuant to this Section 3.02 to a state of cleanliness and/or repair better or greater than the state of cleanliness and/or repair of same existing at the time they take possession. Where an environmental assessment was conducted by Callidus pursuant to this Section 3.02, it shall be accepted by the parties as establishing such state as of the date of the fieldwork referenced in such assessment.

(g) During the period of use, Callidus shall permit BDC, its employees, agents, contractors, or receiver reasonable access to inspect the BDC Priority Collateral and to show them to prospective buyers or lessees and to remove such assets as Callidus is not and will not be using from the BDC Priority Collateral Realty without interference.

(h) BDC agrees that any purchaser or lessee of the BDC Priority Collateral shall, as a condition of such purchase or lease, agree to be bound by the terms and conditions of this Section 3.02 and to permit Callidus to use the BDC Priority Collateral in the manner and on the terms and conditions set forth in this Section 3.02.

3.03 <u>Fish Inventory – Notice without Possession by BDC</u>

(a) The Lenders agree that, after Callidus has received the Enforcement Notice and provided that BDC is not in possession of any BDC Priority Collateral on which Fish Inventory is situate, Callidus shall determine and notify BDC prior to the expiry of the First Interim Period, that Callidus intends to take possession or control of the Fish Inventory located at the Hatchery (the "**Callidus Possession Notice**"). Callidus agrees to use commercially reasonable efforts to take possession or control of the Fish Inventory described in the Callidus Possession Notice prior to the expiry of the First Interim Period subject to and in accordance with the provisions of Section 3.02.

(b) Upon the expiry of the First Interim Period, the Abandoned Fish Inventory, if any, shall be deemed to be BDC Priority Collateral to the extent necessary for BDC to realize or dispose of same in order for it to deal with all BDC Priority Collateral.

(c) BDC shall not be liable to Callidus or the Corporations for any loss of or damage to Abandoned Fish Inventory caused by anything that BDC may do or omit to do, including without limitation the destruction of the Abandoned Fish Inventory.

(d) The parties agree that, notwithstanding the foregoing provisions of this Section 3.03: (i) if BDC waives or the Corporations cure the Default that was the basis for the Enforcement Notice that commenced the First Interim Period, or (ii) should BDC fail to take possession of the Abandoned Fish Inventory by enforcement of the BDC Security prior to the expiry of sixty (60) days from the issuance of the Enforcement Notice then the Enforcement Notice shall be deemed not to have been given and thereafter none of the Fish Inventory shall be Abandoned Fish Inventory; provided that BDC may thereafter give a new Enforcement Notice to Callidus which shall commence a new First Interim Period whereupon Callidus shall make a new election in respect of the Fish Inventory, all of which shall be subject to this Section 3.03.

3.04 Fish Inventory – BDC Possession

(a) In the event that BDC gives notice to Callidus that they have taken possession or control of any BDC Priority Collateral on which any Fish Inventory is situate either prior to the commencement of the First Interim Period or, if the First Interim Period has commenced, prior to the expiry of the First Interim Period, then Callidus shall determine and notify BDC, prior to the expiry of the Second Interim Period, that Callidus intends to take possession or control of the Fish Inventory located at the Hatchery (the "**Callidus Control Notice**"). Callidus agrees to take possession or control of the Fish Inventory described in the Callidus Control Notice as soon as possible thereafter using commercially reasonable efforts, subject to and in accordance with the provisions of Section 3.02.

(b) Upon the expiry of the Second Interim Period, the Abandoned Fish Inventory, if any, shall be deemed to be BDC Priority Collateral to the extent necessary for BDC to realize or dispose of same in order for it to deal with all BDC Priority Collateral.

(c) BDC shall not be liable to Callidus or the Corporations for any loss of or damage to the Abandoned Fish Inventory caused by anything that may do or omit to do, including without limitation the destruction of the Abandoned Fish Inventory.

ARTICLE 4- INSOLVENCY OR LIQUIDATION PROCEEDINGS

4.01 Insolvency or Liquidation Proceedings

In the event of an Insolvency or Liquidation Proceeding (whether voluntary or involuntary, partial or complete, and whether in bankruptcy, insolvency or receivership, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities, or any sale of all or substantially all of the assets of all or any Corporation, or otherwise), as between the Lenders, the following shall apply:

(a) (i) Callidus shall be entitled to receive payment in full of the Callidus Liabilities from the proceeds of any sale of the Callidus Priority Collateral (collectively, the **"Callidus Collateral Bankruptcy Proceeds"**) before BDC shall be entitled to receive and retain any Distribution in respect of the BDC Liabilities from the Callidus Priority Collateral Bankruptcy Proceeds (all subject to the provisions of Article 2).

(ii) BDC shall be entitled to receive payment in full of the BDC Liabilities from the proceeds of any sale of the BDC Priority Collateral (collectively, the **"BDC Priority Collateral Bankruptcy Proceeds"**) before Callidus shall be entitled to receive and retain any Distribution in respect of the Callidus Liabilities from the BDC Priority Collateral Bankruptcy Proceeds (all subject to the provisions of Article 2).

(b) To the extent that Callidus receives payment on, or proceeds of any Collateral for, the Callidus Liabilities, or BDC receives payments on, or proceeds of any Collateral for, the BDC Liabilities, which are subsequently avoided, invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, federal, provincial or state law, common law or equitable cause then, to the extent of such payment or proceeds received, the Callidus Liabilities, the BDC Liabilities, or, as applicable, part thereof of either, intended to be satisfied shall be revived and continue in full force and effect as if such payments or proceeds had not been received by Callidus or BDC as the case may be and Callidus or BDC as the case may be shall pay over to the other proceeds in the amount of the Liabilities paid from proceeds of the Callidus Priority Collateral or the BDC Priority Collateral as the case may be in accordance with this Agreement and not similarly avoided, invalidated, declared to be fraudulent or preferential, set aside or repaid.

ARTICLE 5- NOTICES AND INFORMATION

5.01 Notice of Defaults and Enforcement

(a) Each Lender shall deliver to each other Lender, contemporaneously with such notice beings given by the first-mentioned Lender to any Corporation:

(i) any notice of any default;

(ii) any notice of an acceleration of any Liabilities;

(iii) any demand for payment of any Liabilities made upon any Corporation, or

(iv) any notice of its intention to realize on any Security.

(b) No Lender shall have any liability for any failure to comply with Section 5.01(a) and no failure to comply with Section 5.01(a) (whether or not inadvertent) shall affect the priorities established herein or impair or release the subordination and other benefits provided by this Agreement

5.02 Provision of Documents and Information between the Lenders and Certain Others

From time to time, as and when reasonably requested to do so by a Lender, the Lender to whom the request has been made shall provide the requesting Lender with copies of any documents or instruments providing for or evidencing Security and the outstanding applicable Callidus Liabilities or BDC Liabilities owed to such Lender as of the time of the request. By execution of this Agreement, each Corporation consents to the Lenders, from time to time, providing each other with any information pertaining to the business and affairs and the properties and assets of the Corporations. No Lender shall have any liability for any failure to comply with this Section 5.02 and no failure to comply with this Section 5.02 (whether or not inadvertent) shall affect the priorities established herein or impair or release the subordination and other benefits provided by this Agreement.

ARTICLE 6 - RELATIVE RIGHTS

6.01 Except as otherwise expressly set forth in this Agreement, nothing contained in this Agreement is intended to or shall impair the obligations of the Corporations, which are absolute and unconditional, to the Lenders and nothing contained in this Agreement is intended to alter or amend the relative interests as among the Corporations and their creditors (other than the Lenders).

ARTICLE 7 - AMENDMENTS

7.01 The terms of this Agreement, the postponements and subordinations effected hereby, and the rights and the obligations of the Lenders arising hereunder shall not be affected, modified or impaired in any manner or to any extent by: (a) any amendment, modification or restatement of, or supplement to, any of the Debt Documents; (b) the invalidity or unenforceability of any of such documents; or (c) any exercise or non-exercise of any right, power or remedy under or in respect of the Liabilities or any of the Debt Documents.

ARTICLE 8- CONFLICT

8.01 In the event of any conflict between any term, covenant or condition of this Agreement and any term, covenant or condition of any of the Debt Documents, the provisions of this Agreement shall control and govern.

ARTICLE 9 - WAIVER AND AMENDMENT OF THIS AGREEMENT

9.01 No waiver of any provision of this Agreement shall be deemed to be made by the Lenders of any of their rights hereunder unless the same shall be in writing signed by Callidus and BDC. Each waiver, if any, by the Lenders shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the Lenders in any other respect at any other time. No provision of this Agreement may be modified or amended in any respect unless the same shall have been approved and consented to in writing by Callidus and BDC.

ARTICLE 10 - CUMULATIVE RIGHTS

10.01 The rights, powers and remedies of the Lenders under this Agreement shall be in addition to all rights, powers and remedies given to the Lenders by virtue of any statute or rule of law, any Debt Document or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently.

ARTICLE 11 - NO RIGHTS TO CORPORATIONS CREATED

11.01 Nothing in this Agreement shall create any rights in favour of, or obligations to, any Corporation or any third party, and the covenants and agreements among the Lenders shall not be enforceable by any Corporation or any third party.

ARTICLE 12 - THIRD PARTY PRIORITIES

12.01 If any Person not a party hereto shall have a claim to the proceeds of disposition of any of the assets of any Corporation in priority to or on a parity with one of the Lenders but not the other Lender, this Agreement shall not apply to diminish the rights of the other Lender (as such rights would have been but for the provisions of this Agreement) to the proceeds of disposition of such assets.

ARTICLE 13 - NO OBLIGATION TO EXTEND CREDIT

13.01 No provision of this Agreement shall be construed as obligating any Lender to advance any monies or otherwise extend credit to the Corporations or any of them at any time.

ARTICLE 14 - CONTINUING AGREEMENT

14.01 This Agreement constitutes a continuing agreement, notwithstanding that any Corporation may not be indebted to a particular Lender at any time, and each Lender may, without notice to the other Lender, lend money, extend credit and make other financial accommodations to or for the account of any Corporation on the faith hereof. Nothing herein shall restrict any Lender from revising, replacing, amending or supplementing any of the Security held by it, or acquiring additional Liens upon any property or assets of any Corporation (now or hereafter acquired), provided that all such Liens shall be held and dealt with in accordance with the provisions hereof. This Agreement shall continue in force until terminated by the mutual consent in writing of all the Lenders or until BDC or Callidus, as the case may be, have discharged their Security and received Final Payment whereupon such Lender who has discharged the Security held by it or on its behalf shall be released from any further obligation under this Agreement

14.02 This Agreement shall operate and apply in all events and circumstances and, without limitation, shall apply and operate notwithstanding;

(a) any Insolvency or Liquidation Proceeding;

(b) any exercise, non-exercise or delay in exercising by any of the Lenders of any right, remedy, power or privilege under their respective Debt Documents; and

(c) any merger, consolidation or amalgamation of any of the parties hereto into, or with, any other Person.

ARTICLE 15- COVENANTS OF THE CORPORATIONS

15.01 The Corporations each hereby confirm and agree with each of the Lenders that:

(a) so long as any Liabilities of such Corporation remains outstanding, it shall stand possessed of its assets so charged for the Lenders in accordance with their respective interests and priorities set out in this Agreement;

(b) none of the provisions of this Agreement creates any rights in favour of such Corporation or affects the other rights between such Corporation and the Lenders under the Debt Documents or affects the manner in which any Lender or any receiver or receiver and manager appointed by such Lender over the property, assets and undertakings of such Corporation exercises its rights under its respective Security as between such Corporation and the Lenders.

ARTICLE 16 - NOTICES

16.01 Any notices or other communications required or permitted to be given hereunder shall be in writing and be delivered personally, mailed, certified mall, return receipt requested, telecopied, or sent by commercial overnight courier service to the following addresses (or such other addresses as shall be given by a notice delivered hereunder), and shall be deemed to have been given on the day of delivery if delivered personally, five days after mailing if mailed, on the date of transmission if transmitted by telecopy on a business day before 4:00 p.m. (New Brunswick time), or if not on the next business day, or one business day after delivery to the courier if delivered by commercial overnight courier service:

If to any of the Corporations, to:

3801 Route 105
Northampton, NB E7N 1C7

Attention: Tim Gray
Facsimile: 506.325.9871

If to BDC to:

770 Main St., 4th Floor
Moncton NB E1C 1E7

Attention: Sophie Gauthier
Facsimile: 506.851.6836

If to Callidus to:

77 King Street West, Suite 4320
Toronto, ON M5K 1K2

Attention: Portfolio Manager
Facsimile: 416.941.9876

Any party may change the address to which notices to it are sent by giving written notice pursuant to this Section 16.01 to the other parties hereto.

ARTICLE 17 - SUCCESSORS AND ASSIGNS

17.01 This Agreement shall enure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties hereto. To the extent permitted under the Debt Documents, the Lenders and any of them may, from time to time, assign or transfer any or all of the Liabilities and Security owned or held by it or any interest therein to any Person provided such Person agrees in writing to be bound by this Agreement with respect to such assigned Liabilities and, notwithstanding any such assignment or transfer, or any subsequent assignment or transfer, the Liabilities shall, subject to the terms hereof, be and remain the Liabilities for purposes of this Agreement, and every permitted assignee or transferee of any of the Liabilities or of any interest therein shall, to the extent of the interest of such permitted assignee or transferee in the Liabilities (and provided such permitted assignee or transferee has agreed in writing to be bound by this Agreement), be entitled to rely upon and be the beneficiary of the postponements and subordinations and other rights provided under this Agreement and shall be entitled to enforce the terms and provisions hereof, in each case, to the same extent as if such assignee or transferee were initially a party hereto.

ARTICLE 18- FURTHER ASSURANCES

18.01 Each party to this Agreement promptly will execute and deliver such further instruments and agreements and do such further acts and things as may be reasonably requested in writing by any other party hereto that may be necessary or desirable in order to effect fully the purposes of this Agreement.

ARTICLE 19 - GENERAL

19.01 This Agreement shall be construed and enforced in accordance with and governed by the internal laws of the Province of New Brunswick, Canada without regard to conflicts of law principles.

19.02 Each party irrevocably agrees that any action or proceeding in any way, manner or respect arising out of this Agreement or arising from any dispute or controversy arising in connection with or related to this Agreement may be litigated in the courts of the Province of New Brunswick, and each party hereby consents and submits and attorns to the jurisdiction of any provincial, or federal court located within such Province. Each party hereby waives any right it may have to transfer or change the venue of any litigation brought against any other party in accordance with this Section.

19.03 In the event that any provision of this Agreement is deemed to be invalid, illegal or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court or governmental authority, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby, and the affected provision shall be modified to the minimum extent permitted by law so as most fully to achieve the intention of this Agreement.

19.04 This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute one and the same instrument and any counterpart may be terminated by fax or PDF and such counterpart shall be deemed to be an original.

19.05 The headings appearing in this Agreement have been inserted solely for reference and shall not affect the meaning or interpretation of any provision of this Agreement.

19.06 This Agreement shall remain in full force and effect until the Final Payment of all Liabilities under the Debt Documents after which this Agreement shall terminate without further action on the part of the parties hereto.

19.07 This Agreement embodies the entire Agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter including, without limitation, the Intercreditor Agreement among Callidus (as assignee of HSBC Bank Canada), certain of the Corporations and BDC dated November 10, 2011.

19.08 Neither of the Lenders shall have any fiduciary duties or responsibilities to, and shall not be an agent of or fiduciary for, any other party hereto except as specifically stated herein.

[Remainder of page left blank, signature page follows]

[Signature page to intercreditor agreement between the undersigned]

The undersigned parties hereto have duly executed this Agreement as of the date first set out above.

BUSINESS DEVELOPMENT BANK OF CANADA By: Sophie Gauthier Name: SOPHIE GAUTHIER Title: Director, Business Restructuring By: Name: Russell W. French Title: Assistant Vice President, Business Restructuring Vice-président adjoint, Restructuration d'entreprise	**CALLIDUS CAPITAL CORPORATION** By: Name: Title: By: Name: Title:
GRAY AQUA FARMS LTD. By: Name: Title: By: Name: Title:	**GRAY AQUA MANAGEMENT LTD.** By: Name: Title: By: Name: Title:
GRAY AQUA GROUP LTD. By: Name: Title: By: Name: Title:	**GRAY AQUA PROCESSING LTD.** By: Name: Title: By: Name: Title:
BUTTER COVE AQUA FARM LTD. By: Name: Title: By: Name: Title:	**GOBLIN BAY AQUA FARM LTD.** By: Name: Title: By: Name: Title:

[Signature page to intercreditor agreement between the undersigned]

The undersigned parties hereto have duly executed this Agreement as of the date first set out above.

BUSINESS DEVELOPMENT BANK OF CANADA By:__________ Name: Title: By:__________ Name: Title:	**CALLIDUS CAPITAL CORPORATION** By:__________ Name: Title: By:__________ Name: Title:
GRAY AQUA FARMS LTD. By:__________ Name: ROBERT GRAY Title: PRES. By:__________ Name: Title:	**GRAY AQUA MANAGEMENT LTD.** By:__________ Name: TIM GRAY Title: PRESIDENT By:__________ Name: Title:
GRAY AQUA GROUP LTD. By:__________ Name: TIM GRAY Title: PRESIDENT By:__________ Name: Title:	**GRAY AQUA PROCESSING LTD.** By:__________ Name: TIM GRAY Title: PRESIDENT By:__________ Name: Title:
BUTTER COVE AQUA FARM LTD. By:__________ Name: TIM GRAY Title: President By:__________ Name: Title:	**GOBLIN BAY AQUA FARM LTD.** By:__________ Name: TIM GRAY Title: President By:__________ Name: Title:

JERVIS ISLAND AQUA FARM LTD. By:________ Name: TIM GRAY Title: PRESIDENT By:________ Name: Title:	**PASS-MY-CAN AQUA FARM LTD.** By:________ Name: TIM GRAY Title: President By:________ Name: Title:
608691 N.B. LTD. By:________ Name: Jeff Gray (Pres) Title: By:________ Name: Title:	**608672 N.B. LTD.** By:________ Name: TIM GRAY Title: President By:________ Name: Title:
608690 N.B. LTD. By:________ Name: ROBERT GRAY Title: PRES. By:________ Name: Title:	**608715 N.B. LIMITED** By:________ Name: ROBERT GRAY Title: PRES. By:________ Name: Title:
608716 N.B. LIMITED. By:________ Name: Jeff Gray (Pres) Title: By:________ Name: Title:	**M. GRAY HOLDINGS LTD.** By:________ Name: TIM GRAY Title: President. By:________ Name: Title:

EXHIBIT A

BDC PRIORITY COLLATERAL

All real property of whatever nature or kind now or hereafter existing or acquired of the Corporations excluding the Ocean Sites but including, without limiting the foregoing, the Hatchery, the real property identified as PID 10276160 and PID 10241479 and the following personal property of whatever nature or kind whether now or hereafter existing or acquired:

1. All personal property of whatever nature or kind now or hereafter existing or acquired of Gray Aqua Processing Ltd., save and except Inventory and Accounts Receivable; and

2. The items of personal property set out in the attached Schedule 1.

together with all books, records, writings, databases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all products, offspring, rents, issues, profits and returns of and from any of the foregoing and any Proceeds of the foregoing.

For the purposes of this Exhibit A, the following words and phrases shall have the respective meanings set forth below:

"**Accounts Receivable**" shall mean all accounts receivable now due or owing or accruing due or which may hereafter become due or owing or accruing due to any Corporation (including any proceeds of insurance relating thereto or to Inventory) together with all contracts, arrangements, securities, books and records (electronic or otherwise) and papers evidencing or otherwise relating thereto but excluding any all identifiable or traceable property in any form derived directly or indirectly from any BDC Priority Collateral outlined in Exhibit B hereto.

"**Inventory**" means all of the any Corporation's goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, raw materials, work in progress, finished goods, returned goods, repossessed goods, livestock and the young thereof after conception and crops and timber, and packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing.

"**Proceeds**" shall mean all identifiable or traceable property in any form derived directly or indirectly after a default from any dealing with any Collateral of any Corporation or that indemnifies or compensates for loss or damage to such Collateral (such as insurance or expropriation).

EXHIBIT B

CALLIDUS PRIORITY COLLATERAL

All personal property of whatever nature or kind now or hereafter existing or acquired of the Corporations other than the BDC Priority Collateral.

SCHEDULE 1

1. All personal property listed in Schedule 1-A attached hereto.**[NTD: We would attach the lists prepared by the appraisers that E&Y relied on for coming up with valuation along with E&Y valuation]**

Gray Aqua Group of Companies
Proposed Fixed Asset Security Allocation - Callidus and SDC

	Ref #	Note(s)	BV as at [redacted]	Proposed Trustee ERV	Hilco Forced Liquidation Value Appraisals $	Marine Consultants Vessel Appraisals $	Tri Nov Appraised Value $	Tri Nov Forced Sale Value $	Forced Sale Market Value Property Appraisal $	Market Value Property Appraisals $	SDC Allocation $	Callidus Allocation $
Real Property												
GAM Offices and attached warehouse -3801, Route 105, Northampton, NB	A1		[redacted]	[redacted]					[redacted]		[redacted]	
GAF Hatchery Facility - 3801, Route 105, Northampton	A2	1	[redacted]	[redacted]						[redacted]	[redacted]	
GAP Processing Facility - 1-3 Plant Road, Hermitage, NL	A3	2	[redacted]	[redacted]							[redacted]	
GAG - Floating House	A4		[redacted]	[redacted]								
Total Value of Real Property			[redacted]	[redacted]					[redacted]	[redacted]	[redacted]	[redacted]
Plant + Equipment												
GAF P+E - Located at 3801, Route 105, Northampton, NB	B1		[redacted]	[redacted]	[redacted]						[redacted]	
GAG P+E - Located at 100 Fisheries Wharf Cinnie River, NL	B2				[redacted]							
P+E Located at 1-3 Plant Road, Hermitage, NL, allocated as follows:						Total GAG P+E = $1,270,130						
GAG P+E	B3				[redacted]							[redacted]
GAP P+E	B4				[redacted]							[redacted]
Total Value of Plant + Equipment			[redacted]	[redacted]	[redacted]						[redacted]	[redacted]
Leased Assets												
GAP Marel Fish Processing Line	C1	3	[redacted]	[redacted]	[redacted]						[redacted]	
Other leased assets	C2			[redacted]	[redacted]							
			[redacted]	[redacted]							[redacted]	
GAG Vessels												
The Walter Gray	D1		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				
The Dylan B	D2		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				[redacted]
AEG Feeder	D3		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]			[redacted]	
Atlantic Harvester	D4		[redacted]	[redacted]			[redacted]	[redacted]			[redacted]	
Feeder 1	D5	4	[redacted]	[redacted]			[redacted]	[redacted]				
Feeder 2	D6	4	[redacted]	[redacted]			[redacted]	[redacted]				[redacted]
The Elizabeth Jane	D7		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				[redacted]
DI Venture	D8	4	[redacted]	[redacted]								
KC	D9		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				[redacted]
1997 Eagle Craft - 12 Person Water Taxi	D10		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				[redacted]
22' Aluminium Boat	D11	4	[redacted]	[redacted]			[redacted]	[redacted]				
Sexual Pas	D12	4	[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				[redacted]
Other Boats and Motors	D13		[redacted]	[redacted]		[redacted]	[redacted]	[redacted]				
			[redacted]	[redacted]		[redacted]	[redacted]	[redacted]			[redacted]	[redacted]
Total			[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Less: Secured Debt											[redacted]	[redacted]
Estimated Surplus/(Shortfall)											[redacted]	[redacted]

Note(s)

1. [illegible]

2. [illegible]

3. [illegible]

4. [illegible]

5. [illegible]

Gray Aqua Group of Companies
Supporting Listing for Proposed Fixed Asset Security Allocation - Callidus and BDC

Ref #	Qty	Description
		Real Property
A1	1	GAM Offices and attached warehouse -3801, Route 105, Northampton, NB Route 105, Northampton, Carleton County, NB PID 10241479 Lot 03-3 Plan 16398209 Carleton County Registry Office Lease Document 16796352, Carleton County Registry Office
A2	1	GAF Hatchery Facility - 3801, Route 105, Northampton PID 10241453 Lot 03-01 Plan 16398209 Carleton County Registry Office Lease 16796287, Carleton County Registry Office
A3	1	GAP Processing Facility - 1-3 Plant Road, Hermitage, NL
A4	1	GAG - Floating House

Ref #	Qty	Description
		Plant & Equipment
		Gray Aqua Farms Ltd ("GAF") P+E - Located at 3801 Route 105, Northampton, NB
B1	1	Hubzahl Model 508 8' Mechanical Shear, S/N 042
B1	1	Case Model 21E Series 3 Wheel Loader, S/N NAGT00125 (New 2011), with Bucket, Forks, Snow Plow
B1	9	Fairbanks Morse Model 1-STG-7B, 30' Inground Water Pumps, Motor Size Range from 15-HP to 20-HP
B1	5	Generac Model GT8000E, Portable Gas Powered Generators
B1	1	Grove 15-Ton Rough Terrain Crane, with 2-Stage 60' Boom
B1	1	Case Model 580 Super M, Wheel Loader Backhoe, S/N N7C427186 (New 2007), with Cab
B1	1	Case Model Farmall 35 Tractor, S/N 018110801046, with Smyth Model 60F Snow Blower, Mower Deck
B1	1	Pack Model PA10021, 3 Cu. Yr. Batch Mixer, S/N PMC8263 (New 2012), 10-Hp
B1	1	Fischer 8' Snow Blower, with Light Tree
B1	12	40-HP Spare Pump Motors
B1	1	Kitchen Walker 4' x 11" Column Radial Drill, S/N 1509, with Box Table
B1	1	Taipin Model TTR1100, 3' x 9" Column Radial Drill, S/N

		9814 (New 1988)
B1	2	Wegener Model Alpha-1 Hand Held Poly Extrusion Welders, S/N 83438 & 13301 (New 2009)
B1	1	Wegener Model Alpha-2 Hand Held Poly Extrusion Welder, S/N 83410 (New 2009)
B1	1	Meccalte 50-KVA Generator, (New 2010), Skid Mounted
B1	1	Environmental Technologies (ETI) Silkstream Fish Pump Transfer System, (New 2004), with 10" Water Pump, Perkins 1104C 4-Cycle Diesel Engine, Skid Mounted
B1	1	Miller Model Millermatic 251 Welder, S/N LH141274B (New 2007)
B1	1	Craftsman 10" Radial Arm Saw
B1	1	Cincinnati Bickford 5' x 11" Column Radial Drill, S/N 2E-225 (New 1939), with Box Table
B1	1	KBC Model GRIP-1840GH, 18" x 40" Engine Lathe, S/N 18022-621044, with 2-Axis Digital Readout
B1	1	Delta Model 17-965C, 16-1/2" Floor Type Drill Press, S/N W1012
B1	2	Lincoln Model PowerMig 350MP, Mig Welders, S/N U1101108011 & U1110311888 (New 2011)
B1	1	Miller Model Syncrowave 350LX, Tig Welder, S/N MB170197L (New 2011)
B1	1	Hypertherm Model Powermax 1000 Plasma Cutter, S/N 1000-011486
B1	1	King Model KC-712GH, 7" x 12" Universal Portable Horizontal Band Saw, S/N 070160
B1	1	Delta 10" Tilting Arbor Table Saw, with Fence And Stand
B1	1	Hypertherm Model Powermax 85 Plasma Cutter, S/N 85-009135
B1		Broodstock Tanks, Consisting of:
	8	30-Cu. Meter 20' Dia. x 8'H Bolted Galvanized Steel Panel Tanks, Each with Poly Liner
	2	80'L Over Tank Catwalks
	1	75'L x 5'W x 5'H Work Platform, with Stairs
	1	6' x 3' x 4' Stainless Steel Head Tank
B1	1	Sullair Model S-ES-8-90H, 30-HP Rotary Screw Air Compressor, S/N 008-118091 (New 2000), Zeks Model 100NCCA100 Air Dryer, S/N 141166 (New 2000)
B1		#2 Head House, Consisting of:
	3	5-HP Pumps
	1	15-HP Pump
	3	Pressurized O2 Injectors, Plastic Tube

	1	Construction, with O2 Sensors
	2	Wedeco Model BX650, Stainless Steel UV Water Disinfection Systems, S/N VA55189.7 (New 2004), with Digital Controller, UV Reactor, 480-Cu.
	1	Meters Per Hour, 4° - 60°C
	1	Stainless Steel Pressurized O2 Injector, with O2 Sensors
	2	4' x 12' x 20' Aluminum Head Tanks, with Flow Meters, 1,500-Gallon Per Minute
B1	25	40' Dia. x 6'H, 200-Cu. Meter Fiber Glass Tanks, Each Tank with (2) Feeders, Aeration Pump, 40' Catwalk
B1	1	82' Dia. x 6"H, 1,000-Cu. Meter Fiber Glass Tank, Each with (4) Feeders and Catwalk
B1		#1 Head House, Consisting of:
	1	Alfa Laval Type A20-BFL, Heat Exchanger, (New 1995)
	3	Aluminum Head Tanks
	3	Wedeco Model BX650, Stainless Steel UV Water Disinfection Systems, (New 2004), with Digital Controller, UV Reactor, 480-Cu. Meters Per Hour, 5° - 60°C
	1	Stainless Steel Pressurized O2 Injector, with 15-HP Pump, O2 Sensors
	3	Plastic Aerator Injectors, Each with 5-HP Pump
B1		#3 Head House, Consisting of:
	3	Aluminum Head Tanks
	3	Wedeco Model DX650, Stainless Steel UV Water Disinfection Systems, with Digital Controller, UV Reactor, 480 Meters Per Hour, 5°C - 60°C
	3	Cyclone Sand Trap
B1	1	DV Systems 7.5-HP, 2-Stage Vertical Tank Mounted Air Compressor
B1	2	Maskinfabrikken Hydraulic Drive Fish Transfer Pumps, Each with 15-HP Portable Hydraulic Unit
B1	5	2" & 3" Trash Pumps
B1	2	Easy-Kleen Pressure Systems Ltd. Model OH300, Gas Powered Heated Pressure Washers, S/N 10067, 4,000-PSI
B1	1	Kawasaki Model Mule 610, Off Road 4X4 All Terrain Vehicle, (New 2010), Tilt Utility Bed, Roll Cage
B1		Portable Fish Grading Wagon, Consisting of: Maskinfabrikken Model Apollo A/S, 3-Channel Fish Grader, (New 2006), with (5) Tracks, (3) Fish Scanner Chutes, 3-4 Tons/Hr, Grading-ranges: 1-650 Or 5-750 Grams Vaki 4-Channel Fish Bio Scanner 8' x 16' 4-Wheel Trailer Mounted Sorting Wagon
B1	3	Vaki 4-Channel Bio Scanners, (New 2005), with 11 Registration Units, 8 Counter Heads
B1	2	50-HP Water Pumps, 10L
B1	2	Wedeco Model DX650, Stainless Steel UV Water Disinfection Systems, S/N DA55189.6 & DA55189.3 (New 2004), with Digital Controller, UV Reactor, 480-Cu. Meters Per Hour, 4° - 60°C
B1	1	Schmidt Model Sigma 65H Heat Exchanger, S/N 11047-1 (New

		1987)
B1	3	Alfa Laval Model A20-DFL Heat Exchangers, S/N 96875 (New 1994)
B1	1	Stainless Steel Pressurized O2 Injector, (New 2002), with 15-HP Pump, 120-PSI at 100°F, Flow Meter, S/N 2511822-01
B1	18	15' Dia. x 4'H Bolted Galvanized Steel Constructed Hatchery Tanks, Each with Reinforced Vinyl Lining, Gravity Feed From Head Tank, O2 Probes, Feeder
B1	1	Comphatch Custom Designed and Fabricated Egg Hatching System, with (8) Double Tray Drawers, (320) Egg Holders, (16) Flow Valves, Aluminum Portable Frames
B1	56	Emperor Aquatics 25-Liter Fish Egg Incubators, (8) Tubes Per Rack, Each Holds 20-Liters of Eggs
B1	20	12' Dia. x 4'H Fiber Glass Fish Egg Hatch Tanks, with Feeders, O2 Sensors
B1	1	600-Gallon Per Minute Aluminum Head Tank, with 3-HP Pump, (2) 2-HP Pump, Controller 1,500
B1	1	1,500-Gallon Per Minute Aluminum Head Tank
B1	2	Pressurized O2 Injectors, with 5-HP Pump
B1	8	3' x 4' x 4" Custom Fabricated Plastic Fish Hatching Trays, Each with Screens
B1	1	6' x 12' x 5' Fiber Glass Head Tank, with 10' Aluminum Extension Tank
B1	1	Custom Designed and Fabricated Fish Enviroment Monitoring System, with Personal Computer, Allen Bradley Controls, Monitors, Sensors, Probes
B1	13	Nordic Model W-150-H, 50,000-BTU Electric Geothermal Heat Pumps, (New 1998), with Monarch Model ETT30M5MS-TR2VF Pump, 15-HP Motor
B1	1	Easy-Kleen Pressure Systems Ltd. Model E202035, Electric Heated Pressure Washer, S/N 9108
B1	1	Jensorter Model JH, Optical Fish Egg Sorter, 10-Gal. Hopper
B1	4	AquaScan Model CSE1600 Fish Counters, S/N RF2001594-AC, with Controller
B1	3	Seafood Innovations Model SI-7C Flow Through Fish Stunner / Bleeders, Controller, 6' x 3' Stainless Steel Table
B1	36	5-Cu. Meter Fiberglass Live Smolt Transport Tanks, Closed Top with Hatch, 90" X 95" X 56" Tank size

SCHEDULE 1–A

B1	1	Sullair Model 375-DPQJD, 375-CFM Portable Trailer Mounted Air Compressor, S/N 004-140259 (New 2002)
B1	1	AquaScan Model CSE3500 Fish Counter, S/N RF20111709-AC (New 2011), with 4-Channel Controller
B1	3	40-HP, 40'L Pump House Water Pumps
B1	2	30' x 40' Tarped Quonset Hut
B1	1	1,000' of 4" Dia. Flex Hose
B1	1	Tamper 300-KW Generator, S/N 33046, 375-KVA, Skid Mounted Diesel Engine
B1	1	Cummins Model DFGB-3370073, 600-KW Diesel Generator, S/N D990697895 (New 1999), 750-KVA, 900-HP V12 Diesel Engine
B1	2	500-Gallon Diesel Fuel Tanks
B1	1	Ingersoll Rand Model T30, 15-HP 2-Stage Horizontal Tank Mounted Air Compressor, S/N 647588
B1	1	Daewoo Model G25S, 5,000-Lb. Capacity LP Gas Forklift Truck
B1	1	Daewoo Model BC25SE, 5,000-Lb. Capacity Electric Forklift Truck, (New 1999)
B1	1	2004 Chevrolet Model 3500, 4-Door Dump Truck, VIN: 1GCJK33G34F216016, with 10' Dump, 255,374 Miles
B1	1	1991 International Model 9300, 6x4 Tractor, VIN: 2HSFEBGR5NC056812, with 694,520 Miles
B1	1	1998 Navistar International Model 4700, 4x2 24' Vaccination Box Truck, VIN: 1HTFCAANXXH612494, 34,863 Miles at Time of Inspection
B1	1	TC 16' Tandem Axle Utility Trailer, (New 1995), with Ramp, Steel Plate Deck
B1	1	Duratrail 20' Tandem Axle Flatbed Trailer, (New 2007), with Wood Deck
B1	1	Downeaster 24' 14,000-Lb. Tandem Axle Utility Trailer, (New 2009), with Deck, Ramp
B1	1	1997 Utility 48' Tri-Axle Flatbed Trailer, VIN: 1UYFS348XVA282401
B1	1	2009 Transcraft 48' Tri-Axle Flatbed Trailer, VIN: 1TTF4830291086860
B1	1	2007 Transcraft 48' Tri-Axle Flatbed Trailer, VIN: 1TTF4830171082015
B1	1	2007 Transcraft 48' Tri-Axle Flatbed Trailer, VIN: 1TTF4830X71082028

SCHEDULE 1–A

B1	1	1994 Utility 48' Tri-Axle Flatbed Trailer, VIN: 1UYFS2841RA089702
B1	1	Transcraft 48' Tri-Axle Flatbed Trailer, (New 2007)
B1	1	Transcraft 48' Tri-Axle Flatbed Trailer, (New 2007)
B1		Miscellaneous Equipment Throughout, Consisting of: Pallet Racks, Storage Tanks, Clenco 150 Sand Blaster, Roto Vacuum Blower, Generators, Pumps, Hand Tools, Power Tools, Hatching Trays, Drive In Pallet Racks, Hand Trucks, Bench Grinders, Steel Rack, Miter Saw, Ladders, Power Washer, 3-HP Pump, Pallet Jack, Floor Jack, Bench Top Drill Press, Shop Vacs, Storage Cabinets, Refrigerators, Spare Parts, Scales, Microscope, Etc.
B1		Miscellaneous Office Furnishings and Business Equipment, Consisting of: Personal Computers with Monitors, Printers, Fax Machines, Laptops, Copy Machines, Server Room Equipment, Security System, Phone System, Lobby Furniture, Chairs, Desks, Bookshelves, Credenzas, Break Room Furniture, Executive Office Furniture, Conference Room Furniture and Equipment, Etc.
B1	1	Daewoo Model BC25S, 5,000-Lb. Capacity Electric Forklift Truck, S/N 28-01086
B1	1	Spectra Model LL300, Laser Level, (New 2007), with Tripod Stand
B1	1	4-Bay 3-Tier Drive In Pallet Racking
B1	1	Case Model CX36B, Grader / Hydraulic Excavator, S/N
Ref #	**Qty**	**Description**
		Gray Aqua Group Ltd. ("GAG") P+ E Located at 100 Fisheries Warf, Conne River, NF
B2	1	Miscellaneous Office Furnishings and Business Equipment, Consisting of: Personal Computers with Monitors, Printers, Fax Machines, Laptops, Copy Machines, Server Room Equipment, . Security System, Phone System, Chairs, Desks, Bookshelves, Credenzas, Break Room Furniture, Conference Room Furniture and Equipment, Etc
B2	2	Valeport Model 106 Impeller Current Meters
B2	1	Shark Marine Underwater Video System, with Model FV-16 Mini Color Camera, Model SVQ-10K Underwater Light, Model FV-HDV Laptop Surface Controller, Model FV-GPS-OV1 GPS Interface, Cable
B2	1	3' Dia. x 5'L Aluminum Harvest Kill Tank, with Hydraulic Drive, Feed Table
B2	73	Custom Designed and Fabricated 100 Meter Circumference 2-Ring Polyethylene Fish Cages, Each Cage Includes Styrofoam filled Pipes, Bird Stand, Bird Netting, Side Mounted Net Hooks, 100 Meters 1-3/8" Salmon Net Pen, 69' Overall Depth, (48) 1/2" Polysteel Downline and Crossline Ropes, Grid Plates, Cage Lights
B2	2	Custom Designed and Fabricated 70 Meter Circumference 2-Ring Polyethylene Fish Cages, Each Cage Includes Styrofoam filled Pipes, Bird Stand, Bird Netting, Side Mounted Net Hooks, 70 Meter 1-3/8" Salmon Net Pen, 52' Overall Depth, (32) 1/2" Polysteel Downline and

		Crossline Ropes, Grid Plates, Cage Lights
B2	1	Dewatering Box, with Plastic Pipe Straightener, Hose Reel
B2	141	500-KN Drag Anchors, with 1-1/2" Chain
B2	1	250-KN Drag Anchor, with 1-1/2" Chain
B2	99	Polysteel Ropes, Consisting of: 3,800' 2-1/2" Shore Lines, 31,400' 2-1/2" Moore Lines, (704) 200' Bridles
B2		Mooring And Compensator Chains, Consisting of: (257) 90' 1-1/8" Mooring Chains, (133) 33' 3/4" Compensator Chains, (970) 3/4" Compensator And Bridle Shackles, (282) 1-1/8" Mooring Shackles
B2	1	OPI Model Wellhog SHD315, 315mm Plastic Pipe Butt Welder, S/N 09051021 (New 2009)
B2	1	OPI Hand Rail and Bird Stand Plastic Butt Welder
B2	1	ITJ Them Model 484-S4, Electric Power Winch, 1,500-Lb. Capacity, 11-FPM
B2	16	Custom Designed and Fabricated Stainless Steel Feed Blowers, Each with Cincinnati Fan, Feed Hopper
B2		Miscellaneous Equipment Located Outside, Consisting of: Evapco Water Holding Tank, Refrigeration Compressor, (6) 5,000-Liter Fiber Glass Tanks, Bird Cage Stand, De-Water Table, Feed Hoppers, Etc.
B2	1	JCB Model 407 Wheel Loader, S/N SLT407AL2E0757280 (New 2002), with Bucket and Forks
B2	1	Aquastar Custom Designed and Fabricated Dead Fish Vacuum Removal System, (New 2010), with Head and Hose Attachment
B2	1	MPI Model Terminator 7, 7-Head Net Washer, (New 2011), with MPI HPS2200 228-LPM Aluminum Skid Mounted Diesel Pump System, 180-HP, Enclosure
B2		Miscellaneous Equipment at Conne River Depot, Consisting of: Pressure Washers, 5-HP Gas Engine's, Motors, Table Saw, Pallet Rack, Bench Top Drill Press, Cut Off Saw, Hand and Power Tools, Benches, Fuel Tank, Composting Toilet, 3/4" Drive Sock Set, 6-Ton Come-Along, Etc.
B2	1	Meccalte 48-KVA Generator, (New 2010), 35kW
B2	1	Sotra Model 1006-EL Singlestunner Stainless Steel Electric Fish Stunner, S/N 1592, Stainless Steel Stand Mounted, with Through Feed Conveyor
B2	1	Subaru Model 6250, Portable Gas Powered Generator
B2	4	Kasco De-Icer Water Agitators, (New 2004)

B2	1	Tarp Rite 10' x 50' Tube Frame Tarpped Quanzet Hut
B2	1	Hydraulic Winch
B2	7	8" Dia. x 300'L PVC Lay Flat Hoses
B2	3	3/4" x 700'L Air Hoses
B2	4	Norcan Precision Fish Feeders, Each with (12) Underwater Cameras and 4-Channel Controller
B2	1	OPI Model 315, 315mm Plastic Pipe Butt Welder, with Tube Cutter
B2	1	Easy-Kleen Pressure Systems Ltd. Model 4000, Gas Heated Pressure Washer
B2	4	Stainless Steel Smolt Feeders, with Gas Powered Blower
B2	1	TRW Wet / Dry 4.5-Cu. Ft. Feeder
B2	4	Camera Carts
B2	1	Doosan Model G25-P3, 5,000-Lb. LP Gas Forklift Truck, S/N ML-00729
B2	1	Clemco Model 150, Portable Shot Blast Machine
B2	1	Custom Designed and Fabricated 8' x 12' x 4' Welded Aluminum Hot Box, with Removalable Lid, (2) Electric Heaters, Pump
B2	1	Performance Plus 20-Gallon Portable Vertical Tank Mounted Air Compressor
B2	4	Pallet Jacks
B2	1	EP 6,000-PSI Dive Tank Compressor, (New 2012), 3-Stage Compressor, 1,060-Hours, 9-Station Oxygen Tank Fill Cascade System with (6) Cylinder Fill Tanks, PSI Regulator Unit
B2	1	DV Systems 7.5-HP, 2-Stage Vertical Tank Mounted Air Compressor
B2	2	Wegener Model Alpha-2 Hand Held Poly Extrusion Welders, S/N 08109 & 10109
B2	1	Honda Model EM5000SX, Gas Powered Portable Generator
B2	4	Gas Powered Portable Pressure Washers
B2	1	Hypertherm Model Powermax 85 Plasma Cutter
B2	1	Parker Hydraulic Hose Crimper
B2	1	Lincoln Model 350-MP, mig Welder, S/N U1120102496 (New 2012)
B2	1	Miller Model Millermatic 252 Welder

B2	1	Lincoln Model Squarewave Tig 175, Tig Welder
B2	1	7" Horizontal Band Saw
B2	1	Powerforce 7,500-Watt Gas Powered Portable Generator
B2	1	Lowrance Model HDS7m GPS Unit
B2	1	50,000-BTU LP Gas Floor Heater
B2	1	Hiab Model 140, 8.5-Ton Knuckle Boom Crane, S/N 7442U
B2	1	Yamaha Model EF4000, 4000-Watt Portable Gas Power Generator, S/N 0210181
B2	2	Palfinger Model PK12000B, 7.5-Ton Knuckle Boom Cranes, S/N 100131237 & 100134276
B2	1	Palfinger Model PK10000, 5-Ton Knuckle Boom Crane, S/N
B2	2	Lowrance Elite 5-M GPS Units
B2	1	Lowrance HD55X Fish Finder Unit
B2	1	Lowrance Bronze THB744 Through Hull Fish Finder Unit
B2	1	Furuno Model 1623 Radar Unit
B2	1	North Star Model Explorer 710, VHF Radio
B2	1	Ingersoll Rand Model PA185, 185-CFM Portable Trailer Mounted Air Compressor, S/N 7827AW (New 2001)
B2	1	Miller Model Bobcat 250, Portable Gas Powered Welder
B2	1	Telcoset Model RPT-900 Cellular Repeater, with Tower, (New 2011)
B2	1	Burn Easy Model 37-1W Oil Fired Crematorium Incinerator, (New 2012), Block-lined, Digital Controls
B2	1	Bomag Model 55/65 D/E, Walk Behind Vibratory Plate, (New 2006), 8.9-HP, 17.7" - 29.5" Working Width, 0.5-Ton, Reversible Plate
B2	1	Boat Trailer, S/N 47GBK3039CB000003 (New 2012)
B2	1	Flexipanel 18m x 6m x 68mm Seine Panel Fish Grader, (New 2012), with 45m x 20m Sweep Net
B2	1	Lumic Model LV-6 Vaccination Machine, 0.1 Mil Dose, with Anesthetic System
B2	1	2000 International Model 4700-T444E, 12' Crew Cab Single Axle Flatbed Truck, VIN: 1HTSLADM74H245447, Dual Rear Tires
B2	1	2003 GMC 1/2-Ton Pickup Truck, VIN: 1GTGC14XX3Z337639

Ref #	Qty	Description
B2	1	2002 Chevrolet Model Suburban 1500 Pickup Truck, VIN: 1GNFK16ZX2J153487
B2	1	2001 Chevrolet Model 3500, 4-Door Single Axle Dump Truck, VIN: 1GCJK33U71F178041
B2	1	2000 GMC 1/2-Ton Pickup Truck, VIN: 1FDZY82E8RBA47800, with Plow
B2	1	53'L Tandem Axle Flatbed Trailer, (New 2004), 66,000-Lb. Capacity
B2	1	1FDZY82ESRVA47800, with 6-Yard Mixing Drum

Ref #	Qty	Description
		GAG P+E - Located at 1-3 Plant Road, Hermitage, NL
B3	1	1988 Ford Model L8000, 18' Single Axle Flat Bed Truck, VIN: 1FBYF82A8JVA42692, Automatic Transmission, 250-HP Diesel Engine
B3	1	2009 International Model Maxiforce 7400 SDA, 6x4 22' Boom Truck, VIN: 1HTWGAAT5AJ288570, with T-Rex Model TC-4792C, 3-Stage Boom, S/N 4901199958, 92' Reach; 23-Ton Max. Load
B3	1	2007 Haldex Model Easy-2-Load, 20' Tandem Tag Trailer, VIN: 2V921TT2X71001280, 21-Ton Capacity
B3	1	Komac Model KB350F, Backhoe/Loader Hydraulic Hammer
B3	1	Walk-behind Concrete Power Trowel
B3	1	Case Model 21E Wheel Loader, S/N N8GP01060 (New 2008), with Fork, Bucket
B3	4	Cornell 10-HP Pumps
B3	4	Holland Model Mark IV, Manual Landing Gear
B3	12	5,000-Liter Fiberglass Tanks
B3	1	Doosan Model G30DT, 6,000-Lb. Capacity LP Gas Forklift Truck, S/N HI00330
B3	1	Aqua Life Model 1080P, Fish Pump, S/N 603 (New 2012), 8" Outlet, 800-1,200 GPM, Hydraulic Drive
B3	1	Aqua Life Model 1614P, Fish Pump, S/N 109 (New 2011)
B3	2	Portable Cement Mixers
B3	1	Lincoln Model 350MP Welder, S/N U1111211572 (New 2011)

Ref #	Qty	Description
		Gray Aqua Processing Ltd. ("GAP") P + E - Located at 1-3 Plant Road, Hermitage NF

SCHEDULE 1–A

B4	1	Campbell Portable Horizontal Tank Mounted Air Compressor
B4	1	2' x 3' Aluminum Sorting Table
B4	1	Aluminum Pin Bone Removal Machine
B4	1	Knight Foam Guard Portable Foam Cleaning Machine, with Tote
B4	1	Stainless Steel Weigh Scale and Labeler
B4	1	Plastic Dewatering Table, with Aluminum Stand
B4		Miscellaneous Equipment, Consisting of: Strapper, Pallet Jack, Propane Floor Heater, Electrical Power Cabinets, Gas Powered Cut Off Saw, Trash Pumps, Out of Service Equipment, Scaffolding and Scaffolding Platforms, Electrical Oxygen Stone, 160' x 20"W Aluminum Overhead Electrical Cable Duct, Etc.
B4	1	Canavac 3-Channel Fish Counter, with 3' x 4' x 4' Galvanized Steel Tank, Pump, 8' Stainless Steel Water De-watering Table, (3) Scanners
B4	1	8-Station Aluminum Frame Cutting Line, with Plastic Cutting Top
B4	1	4-Station Aluminum Gill Cutting Table, with Tote Chute
B4	1	3' Dia. x 4'H Plastic Tank
B4	1	PC Industries Model QRS15, 15-Hp Horizontal Tank Mounted Rotary Screw Air Compressor, S/N CAJ350892 (New 2012)
B4	1	Daewoo Model BC25S, 5,000-Lb. Capacity Electric Forklift Truck, S/N 28-01087, with Charger
B4	2	Avery Model S100, 150-Lb. Stainless Steel Portable Scales, S/N 0712000010 (New 2014)
B4		Blood Water Treatment System (New 2007), Consisting of: 10' Dia. x 100"H Fiber Glass Water Holding Tank, with (2) 7-1/2 HP Discharge Pump, Closed Top, (2) 7-1/2 HP Fill Pumps (2) 110-Gallon Sodium Bisulfite and Chlorine Additive Plastic Tanks, with (2) Flex Pro 84V Series Flow Meters, (1) Flex Pro 83V Flow Pump, Control Pro Control Panel, Top Mounted Mixers 12" x 48" Aluminum Screener (2) Hohsing Model RB80-5AU, 5.5-KW Circulation Contact Chamber Blowers Rinnai Model V65IT, 150,000-BTU Tankless Water Heater, 6.5-Gallons Per Minute (2) 3-HP Grinder Pumps
B4		Refrigeration Equipment, Consisting of: Northstar Flake Ice Machine, S/N 2865 (New 2012), 150-PSI @ 650°F Skid Mounted, with Cimco Model N12WB 75-HP Chiller (New 1992) (2) Berner Door Air Curtain Keeprite Model KDS020M8-HT5B-B2C178, Condenser, S/N 122406360
Ref #	**Qty**	**Description**

Leased Assets

GAP - Marel Fish Processing Line

C1 Marel Fish Processing Line (New 2013), Consisting of:
Stainless Steel Electric Tote Dumper
8' x 12' x 4' Stainless Steel Feed Hopper, with
3'W x 15' Incline Cleated Plastic Conveyor
10'W x 24'L x 6'H Stainless Steel Gravity Feed Vessel Unload Hopper, with Chiller, Copeland Chiller Compressor, 5-HP Closed Loop Circulating Pump, (4) 12" Flow Pipes, with Flow Control Actuators
Samson 30-HP Fish De-Heading and Gutting Vacuum
Pump, Skid Mounted
3-HP Salt Water Pump
3' x 12' Cleated Plastic Transfer Conveyor
Ozone International Model C-300ELW, 30-Gallon Per
Minute Centralized White Water Ozone System, S/N
0232, with Siemens Simatic HMI Controller, Rosemont 1056 Analyzer, Water Softener
(Please Note: Rental.)
3'W x 22'L Cleated Plastic Conveyor
40'L Stainless Steel 10-Station De-Heading and Gutting Line, S/N 19940-007, (Approx. 130) Pocket Fish Conveyor, 20 Fish Per Minute Capacity, Manual Feed Table
3'W x 6'L Cleated Plastic Conveyor
3' x 5' Aluminum Sorting Table
2-1/2' Dia. x 3'H Stainless Steel Fish Waste
Vacuum Tank, Conical Bottom, with Bottom Mounted
Fish Auger, Water Separation Trough
Model 19940.13, Stainless Steel Electric Tote
Dumper, S/N M001284
Manual 4-Station De-Heading Table
Marel Model CT-2630, Fillet Machine, 2 - 7
Kilogram Fish Size, Up To 20 Fish Per Minute, Inline Track Mounted
12"W x 8'L Plastic Cleated Incline Tote Conveyor
12-Station Dual Trim Line, with (2) 24"W x 16'L Plastic Belt Conveyor, Under Belt Scrap Conveyor (2) 2-Lane Pin Bone Removal Machines
24"W x 15'L, 8-Station Final Inspection Conveyor
10"W x 15'L Cleated Inclined Plastic Conveyor
20" x 30" Stainless Steel Sorter
Baader Model 52, Fish Skinner, S/N 10-4480-0052 (New 1995)
(Please Note: (Rebuilt 2013).)
4'W x 15'L Plastic Top Inspection Table, with
16"W Table Center Mounted Plastic Belt Conveyor, Stainless Steel Stand Mounted
Scanvaegt Portion Cutter, with Laser Scanner,
Micro Process Controller
18"W x 8'L Portable Plastic Conveyor
Marel Model M2200, Portable Inline Scale

Other Leased Assets

C2 2 Aqua Sonar Fish Sizing Sonars, (New 2011)
(Please Note: Capital Underwriters.)

C2 1 Case Model 321E Wheel Loader, S/N N7GT00788 (New 2008),
with Cab
(Please Note: Mercado.)

C2 1 MPI Model Terminator 3, 3-Head Net Washer, (New 2011),
with Aluminum Crash Frame, Skid Mounted, Toyota D50-250
Diesel Powered Pump System, 96-LPM, 150' Hose
(Please Note: Blue Chip.)

C2 1 Hiab Model 215-4, Knuckle Boom Crane, (New 1998) N/A

		(Please Note: Bodkin Capital. Not Inspected By Appraiser.)
C2	1	2007 Mitsubishi Model Fuso FE140, Cube Van, VIN: JL6BBG1S57K017008 (Please Note: Mercado.)
C2	1	2013 Ford Model F-150, Super Crew Cab Pickup Truck, VIN: 1FTFW1EF1DFB78286 (Please Note: Ford Credit. Not Inspected By Appraiser.)
C2	1	2012 Ford Model F-150, 1/2-Ton Pickup Truck, VIN: 1FTFW1EFXCKD07955 (Please Note: Ford Credit. Not Inspected By Appraiser.)
C2	1	Lumic Model LV-6 Vaccination Machine, 0.1 Mil Dose, with Anesthetic System (Please Note: New Still In Crate. Not Inspected By Appraiser.)

Ref #	Qty	Description
		GAG Vessels
D1	1	Walter Grey - 98ft Carry Ferry O/N 345665
D2	1	Dylan B - 65ft Barge O/N 821802
D3	1	AEG Feeder - 58ft Fish Feeder
D4	1	Atlantic Harverster -65ft Harvest Vessel O/N 837030
D5	1	GAGL Feeder I - 38ft Fish Feeder
D6	1	GAGL Feeder II - 38ft Fish Feeder
D7	1	Elizabeth Jane I - 40ft Barge O/N 833898
D8	1	DI Venture
D9	1	KC - 48ft Barge O/N 835988
D10	1	Eagle XII - 28ft Crew Boat O/N C04737BC
D11	1	22" Aluminium Boat
D12	1	Sweet P - 27ft Feed Boat
		Other Boats and Motors
D13	1	Blue Dolphin - 24ft Speed Boad
D13	1	Theodor - 20ft Feed Boat
D13	1	Sisters West - 26ft Dive Boat
D13	1	Carolina Skiff I - 24ft Feed Boat
	1	Landing Craft - 24ft Feed Boat

D13	1	Burry Boat - 22ft Speed Boat
D13	1	Carolina Skiff II -24ft Feed Boat
	1	Cadillac - 27ft Speed Boat
D13	1	Big Nose 26ft Feed Boat
D13	1	Colton Sea - 38ft Feed Boat O/N 813135
	1	Carolina Skiff II -24ft Feed Boat
D13	1	Outdoor Yamaha Motor - 90 HP Mod F90TXRH SN 1035176
D13	1	8' Marine Cell Antenna VHF
D13	2	2 - Outdoors 4 Stroke 250 HO Yamaha Motors (#1032620&1032629)
D13	1	2011 24' Landing Craft Motor - 150 F150X SN 1106092
D13	2	2 - 4 Strock EF1 Yamaha Outboat for Skiffs SN 1003564&1008129
D13	1	27' Open Boat (Netukulimk)
D13	1	4 Stroke 180HP yamaha motor - SN 116092 F150X
D13	1	12 x 20 Work Barge
D13	1	150 HP Yamaha 4 Stroke - Blue Dolphin (Mod F150XA SN 1108956)
D13	1	Hallow Shaft Gearbox for the Harvest Vessel
D13	1	70 HP Yamaha Outboard (Mod F70LA SN 1020537)
D13	1	Net Roller
D13	1	90 HP Yamaha - Burray Boat - Mod F90XA - SIN 1055905

SCHEDULE 2

OCEAN SITES

Schedule "A"

ALL THAT piece or parcel of land covered by water situate and being in Butter Cove, Bay D'Espoir, in the Provincial Electoral District of Fortune-Hermitage, in the Province of Newfoundland, Canada, bounded and abutted as follows: that is to say beginning at a point, said point being distant from Crown Land Monument Number 81G2319, South Thirty eight degrees Thirty five minutes Thirty four seconds East (S38°35'34"E), a distance of 25777.947 meters to the **POINT OF BEGINNING** and having M.T.M. Grid Co-ordinates (C.M. 56°) [NAD 83] of N 5 282 044.524 and E 301 273.785;

THENCE RUNNING South twenty six degrees fifty one minutes sixteen seconds East (S26°51'16"E), a distance of 600.000 meters through the Waters of Butter Cove to a point;

THENCE turning and running South sixty three degrees eight minutes forty four seconds West (S63°08'44"W), a distance of 500.000 meters through the Waters of Butter Cove to a point;

THENCE turning and running North twenty six degrees fifty one minutes sixteen seconds West (N26°51'16"W), a distance of 600.000 meters through the Waters of Butter Cove to a point;

THENCE turning and running North sixty three degrees eight minutes forty four seconds East (N63°08'44"E), a distance of 500.000 meters through the Waters of Butter Cove to the **POINT OF BEGINNING** and containing in all an area of 30.0000 hectares as more particularly described and delineated on the attached plan dated, December 2007 hereto annexed.

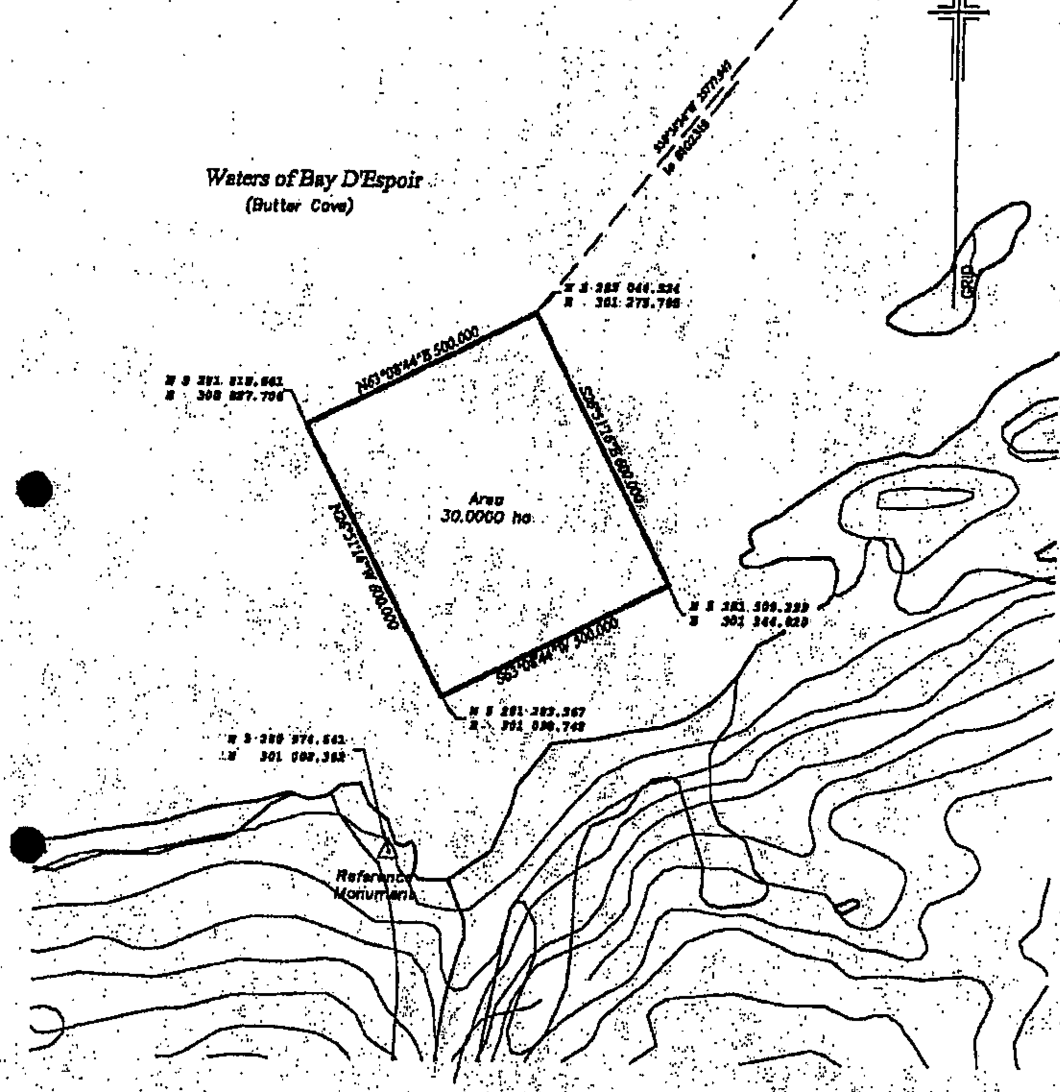
ALL bearings are referred to Grid North NAD83.

D.W. Vallis
Newfoundland Land Surveyor
Province of Newfoundland

D.W. Vallis
December, 2007

130448

SCHEDULE "B"



MONUMENTS USED FOR CONTROL [NAD 83]

8102319
N 5 302 192.534 E 317 333.393 elev. 25.265

△ reference monument.
Capped Iron Bar in rock

Site:- Butter Cove, Bay d'Espoir

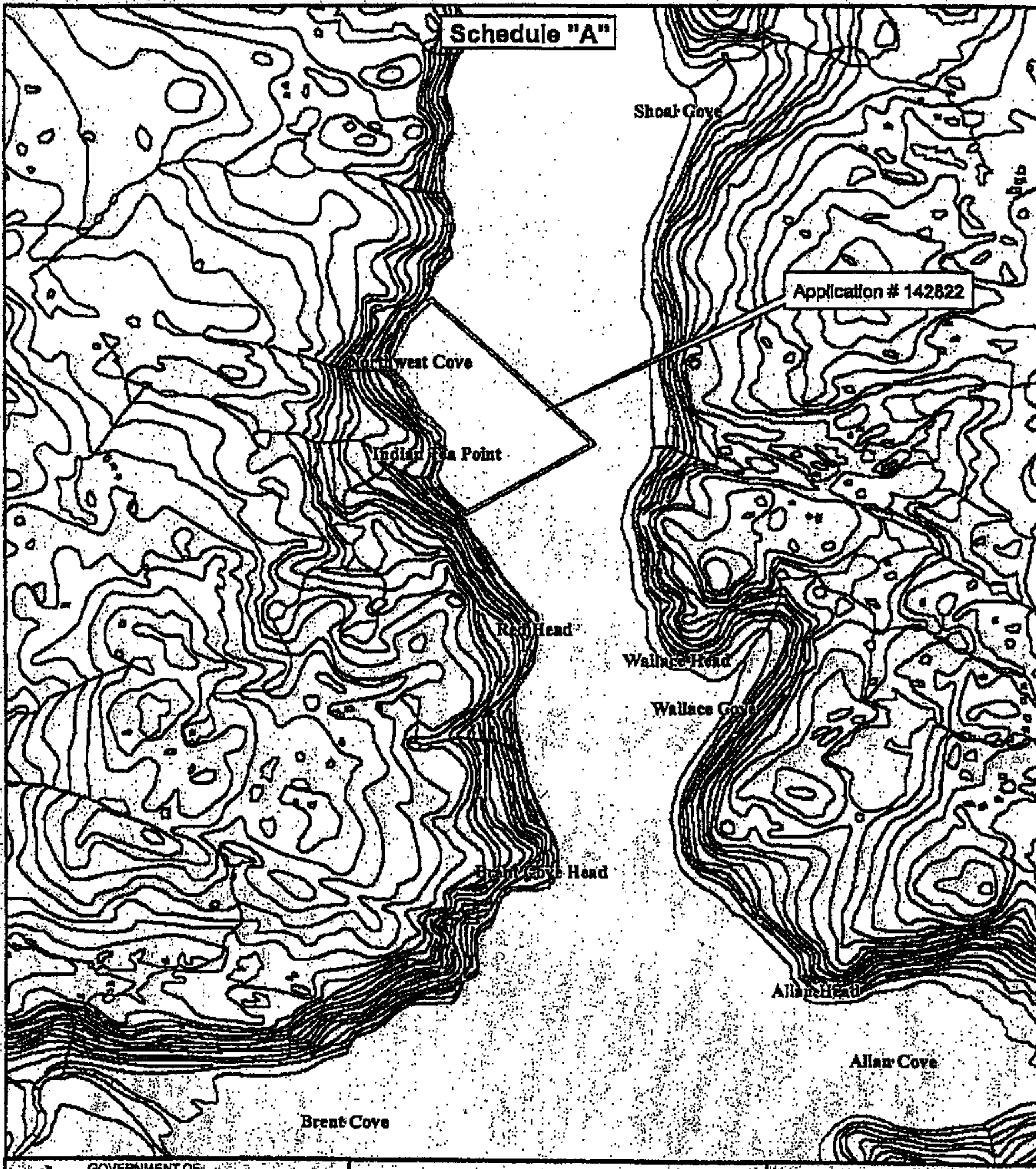
All Distances Horizontal Ground

Central Meridian 56°
Combined Scale Factor = 0.9999

David W. Vallis
December, 2007

App. No. C-130448

Scale= 1:10000



GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
Department of Environment and Conservation
Lands Branch
Central Regional Lands Office
Fraser Mall
P.O. Box 2222
Gander, NL
Telephone (709) 256-1400
Facsimile (709) 256-1095

Name: Gray Aqua Group Ltd.
Application # 142822
Location: Indian Tea Point
Map No.: 11P09

SCALE: 1: 25, 000

Boundaries and positions of features are approximate

SCHEDULE " A "

All that piece or parcel of land situate and being at Hermitage, in the Provincial Electoral District of Fortune Bay-Cape La Hune, in the province of Newfoundland & Labrador, abutted and bounded as follows, that is to say:

Beginning at a point, the said point having NAD83 coordinates of north 5,269,035.057 meters and east 310,121.520 meters;

Thence along an infilled area north twenty-seven degrees twenty minutes seventeen seconds west for thirty decimal four eight four meters;

Thence through the Waters of Hermitage Harbour north sixty degrees twenty-one minutes thirty-six seconds east for eighteen decimal two nine four meters;

Thence through the Waters of Hermitage Harbour south twenty-seven degrees twenty minutes seventeen seconds east for thirty decimal four eight four meters;

Thence along property of Ocean Choice International L.P. (Formerly Seacrest Corp. Of Canada Ltd.) south sixty degrees twenty-one minutes thirty-six seconds west for eighteen decimal two nine four meters to point of beginning.

Containing in all 557 Sq. Meters;

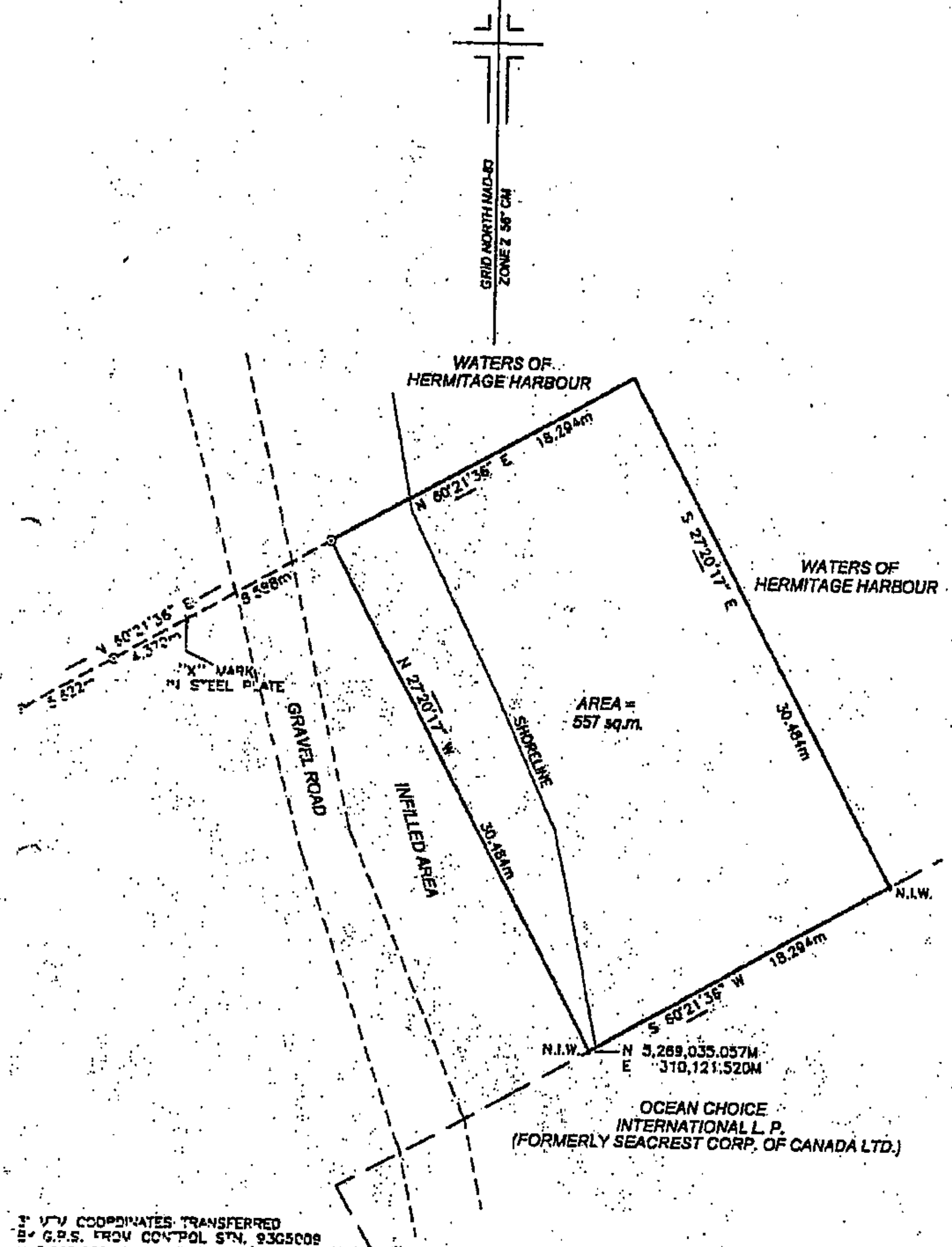
All bearings being referred to the Meridian of 56 degrees West Longitude in the Three Degree Modified Transverse Mercator Projection (Zone 2 - NAD83).

APP. No. 131998

Date: August 7, 2008

Aug 7/08

SCHEDULE "B"



3° UTM COORDINATES TRANSFERRED
BY G.P.S. FROM CONTROL STN. 93G5009
N 5,269,289.994M , E 310,458.356M

SCALE FACTOR = 0.999898

● N.I.W. NAIL IN WHARF (CONCRETE)
○ IRON PIN
○ CAPPED IRON PIN
Fd FOUND

ALL DISTANCES ARE GRID DISTANCES
CENTRAL MERIDIAN 56° 00' 00" W
ALL LINES CLEAR

DATE: AUGUST 7, 2008
APP. NO. 131998

Aug 7/08
RED INDIAN SURVEYS LIMITED

SCALE : 1:250

Schedule "A"

ALL THAT piece or parcel of land covered by water situate and being in Goblin Bay, Bay d'Espoir, in the Provincial Electoral District of Bay d'Espoir, in the Province of Newfoundland, Canada, bounded and abutted as follows: that is to say beginning at a point, said point being distant from Local Monument Number 3, South forty nine degrees thirty nine minutes forty seconds West (S49°39'40"W), a distance of 326.589 meters and having M.T.M. Grid Co-ordinates (C.M. 56°) [NAD 83] of N 5 285 478.090 and E 296 571.791;

THENCE RUNNING South twenty seven degrees zero minutes zero seconds East (S27°00'00"E), a distance of 500.000 meters through the Waters of Goblin Bay, Bay d'Espoir to a point;

THENCE turning and running South sixty three degrees zero minutes zero seconds West (S63°00'00"W), a distance of 500.000 meters through the Waters of Goblin Bay, Bay d'Espoir to a point;

THENCE turning and running North twenty seven degrees zero minutes zero seconds West (N27°00'00"W), a distance of 500.000 meters through the Waters of Goblin Bay, Bay d'Espoir to a point;

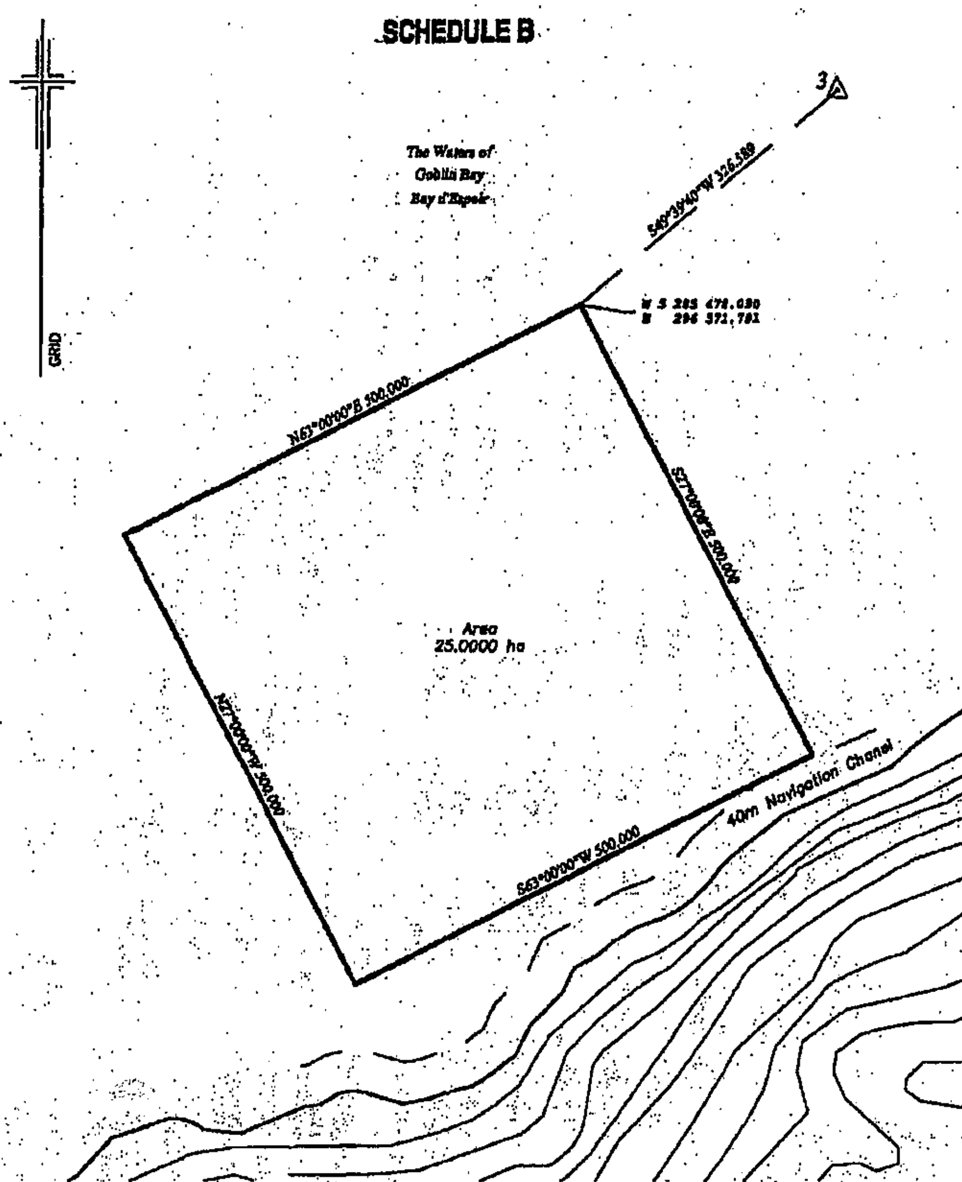
THENCE turning and running North sixty three degrees zero minutes zero seconds East (N63°00'00"E), a distance of 500.000 meters through the Waters of Goblin Bay, Bay d'Espoir to the **PLACE OF BEGINNING** and containing in all an area of 25.0000 hectares as more particularly described and delineated on the attached plan dated, July 2008 hereto annexed.

ALL bearings are referred to Grid North NAD83.

D.W. Vallis
Newfoundland Land Surveyor
Province of Newfoundland

D.W. Vallis
July, 2008

SCHEDULE B



△ reference monument
Capped Iron Bar in rock

MONUMENTS USED FOR CONTROL [NAD 83]

81G2319
N 5 302 192.534 E 317 353.595 elev. 25.265

Site:- Goblin Bay

All Distances Horizontal Ground

Central Meridian 56°
Combined Scale Factor = 0.9999

G.P.S. Control was obtained using Leica System 300 [Dual Frequency] with SKI Pro post processing.
Crown Land Monument 81G2319 was occupied and coordinates were established on the local reference monument.

81G2319	Control	07/17/2007	16:38:29	317353.5929	5302192.5344	- 23.1770	- 0.0000
2	Measured	07/26/2008	14:09:16	292950.1979	5280724.4371	7.8074	- 0.0015

David W. Vallis
Newfoundland Land Surveyor
Province of Newfoundland

App. No. 130445

Scale= 1:5000

David W. Vallis
July, 2008

Schedule "A"

ALL THAT piece or parcel of land covered by water situate and being southwest of Great Jervis Island, in the Provincial Electoral District of Bay d'Espoir, in the Province of Newfoundland, Canada, bounded and abutted as follows: that is to say beginning at a point, said point being distant from Local Monument Number 4, North sixty eight degrees forty six minutes thirteen seconds East (N68°46'13"W), a distance of 74.855 meters and having M.T.M. Grid Co-ordinates (C.M. 56°) [NAD 83] of N 5 278 250.536 and E 291 897.808;

THENCE RUNNING North twenty nine degrees twenty eight minutes twenty three seconds East (N29°28'23"E), a distance of 100.000 meters through the Waters of Bay d'Espoir to a point;

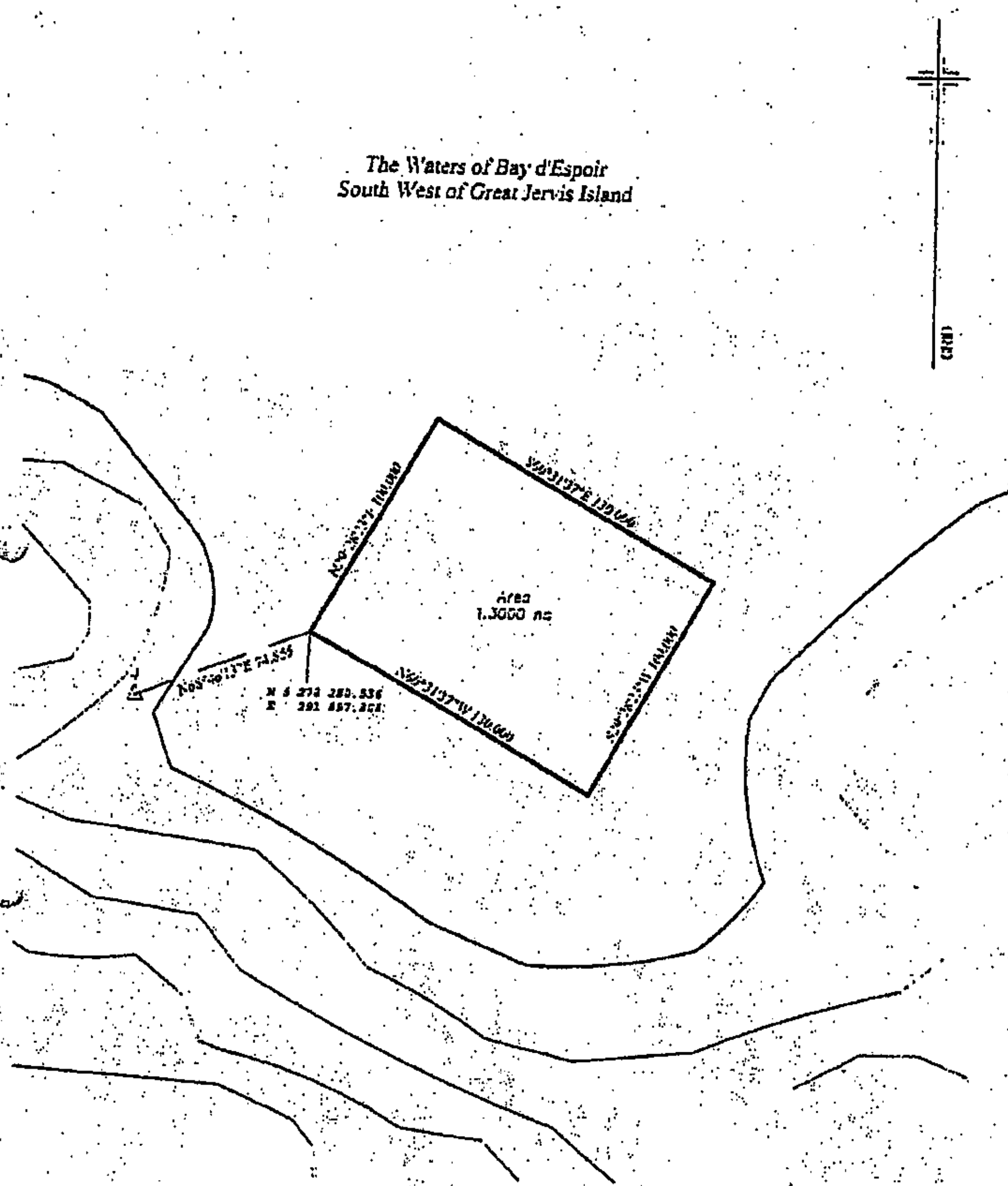
THENCE turning and running South sixty degrees thirty one minutes thirty seven seconds East (S60°31'37"E), a distance of 130.000 meters through the Waters of Bay d'Espoir to a point;

THENCE turning and running South twenty nine degrees twenty eight minutes twenty three seconds West (S29°28'23"W), a distance of 100.000 meters through the Waters of Bay d'Espoir to a point;

THENCE turning and running North sixty degrees thirty one minutes thirty seven seconds West (N60°31'37"W), a distance of 130.000 meters through the Waters of Bay d'Espoir to the PLACE OF BEGINNING and containing in all an area of 1.3000 hectares as more particularly described and delineated on the attached plan dated, July 2008 hereto annexed.

ALL bearings are referred to Grid North NAD83.

D.W. Vallis
July, 2008



MONUMENTS USED FOR CONTROL (NAD 83)

81G2319
N 5 302 192.534 E 317 353.593 elev. 25.265

Anchor

△ reference monument
Capped Iron Bar in rock

All Distances Horizontal Ground

Central Meridian 56°
Combined Scale Factor = 0.9999

G.P.S. Control was obtained using Leica System 300 (Dual Frequency) with SKI Pro post processing.
Crown Land Monument 81G2319 was occupied and coordinates were established on the local reference monument.

81G2319 Control 07/17/2007 16:56:29 317353.5925 5302192.5344 - [illegible]
4 Measured 07/26/2006 10:21:36 [illegible] [illegible] - [illegible]

App. No. 131656

Scale= 1:2000

David W. Vallis
Surveyor, Province of Newfoundland

David W. Vallis
July, 2008

Schedule "A"

ALL THAT piece or parcel of land covered by water situate and being at Pass My Can, Bay d'Espoir, in the Provincial Electoral District of Bay d'Espoir, in the Province of Newfoundland, Canada, bounded and abutted as follows: that is to say beginning at a point, said point being distant from Local Monument Number 2, North forty degrees thirty two minutes zero seconds East (N40°32'00"E), a distance of 92.859 meters and having M.T.M. Grid Co-ordinates (C.M. 56°) [NAD 83] of N 5 280 795.013 and E 293 010.546;

THENCE RUNNING North fifty seven degrees twenty three minutes thirty five seconds West (N57°23'35"W), a distance of 452.000 meters through the Waters of Bay d'Espoir to a point;

THENCE turning and running North four degrees fifty two minutes fifty one seconds East (N04°52'51"E), a distance of 280.000 meters through the Waters of Bay d'Espoir to a point;

THENCE turning and running North fifty six degrees thirty one minutes fifteen seconds East (N56°31'15"E), a distance of 519.914 meters through the Waters of Bay d'Espoir to a point;

THENCE turning and running South thirty three degrees twenty eight minutes forty five seconds East (S33°28'45"E), a distance of 632.754 meters through the Waters of Bay d'Espoir to a point;

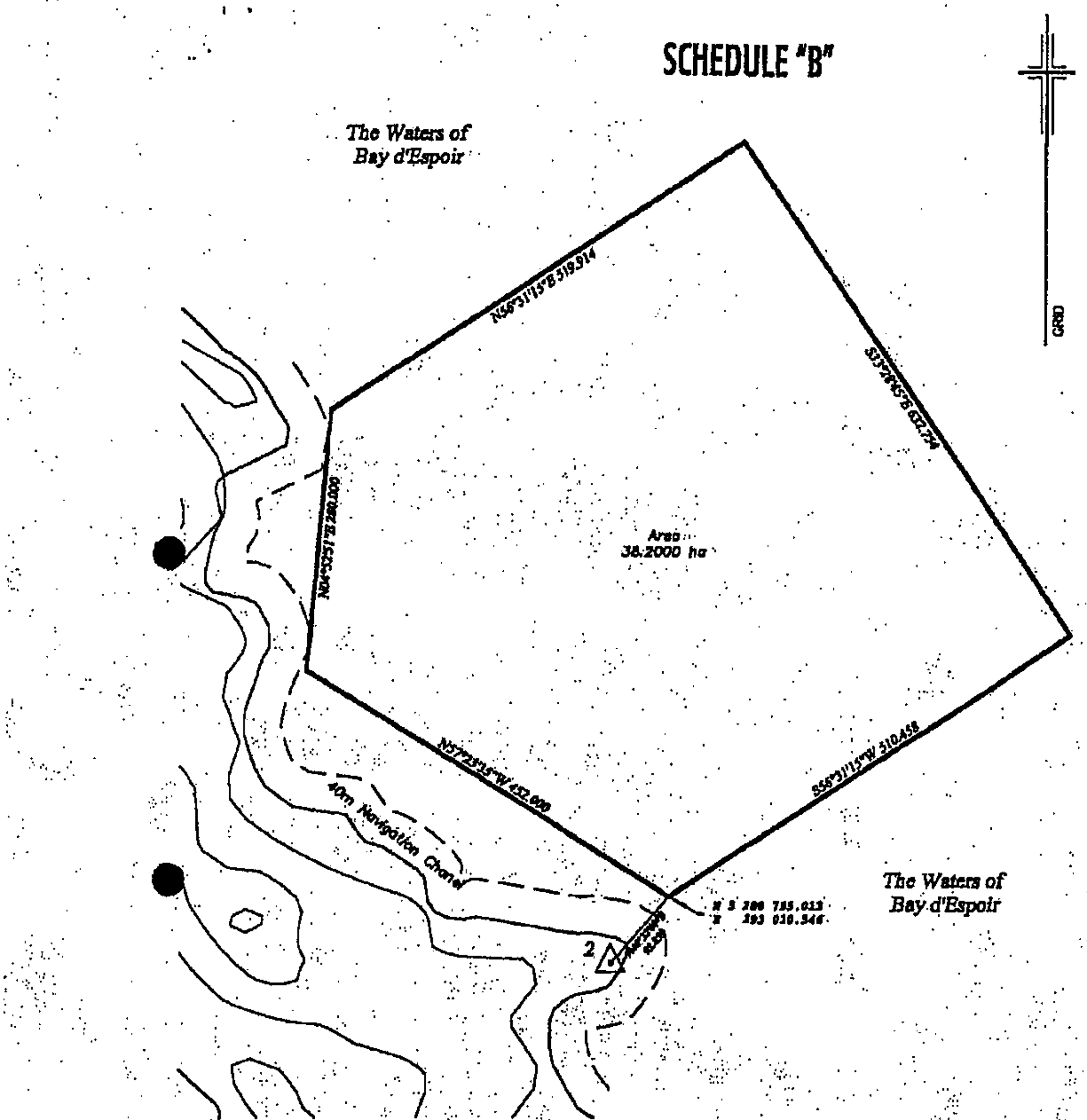
THENCE turning and running South fifty six degrees thirty one minutes fifteen seconds West (S56°31'15"W), a distance of 510.458 meters through the Waters of Bay d'Espoir to the **PLACE OF BEGINNING** and containing in all an area of 38.2000 hectares as more particularly described and delineated on the attached plan dated, July 2008 hereto annexed.

ALL bearings are referred to Grid North NAD83.

D.W. Vallis
Newfoundland Land Surveyor
Province of Newfoundland

D.W. Vallis
July, 2008

SCHEDULE "B"



△ reference monument
Capped iron Bar in rock

MONUMENTS USED FOR CONTROL [NAD 83]

81G2319
N 5 302 192.534 E 317 353.593 elev. 25.265

Site:- Pass My Can

All Distances Horizontal Ground

Central Meridian 56°
Combined Scale Factor = 0.9999

G.P.S. Control was obtained using Leica System 300 [Dual Frequency] with SKI Pro post processing.
Crown Land Monument 81G2319 was occupied and coordinates were established on the local reference monument.

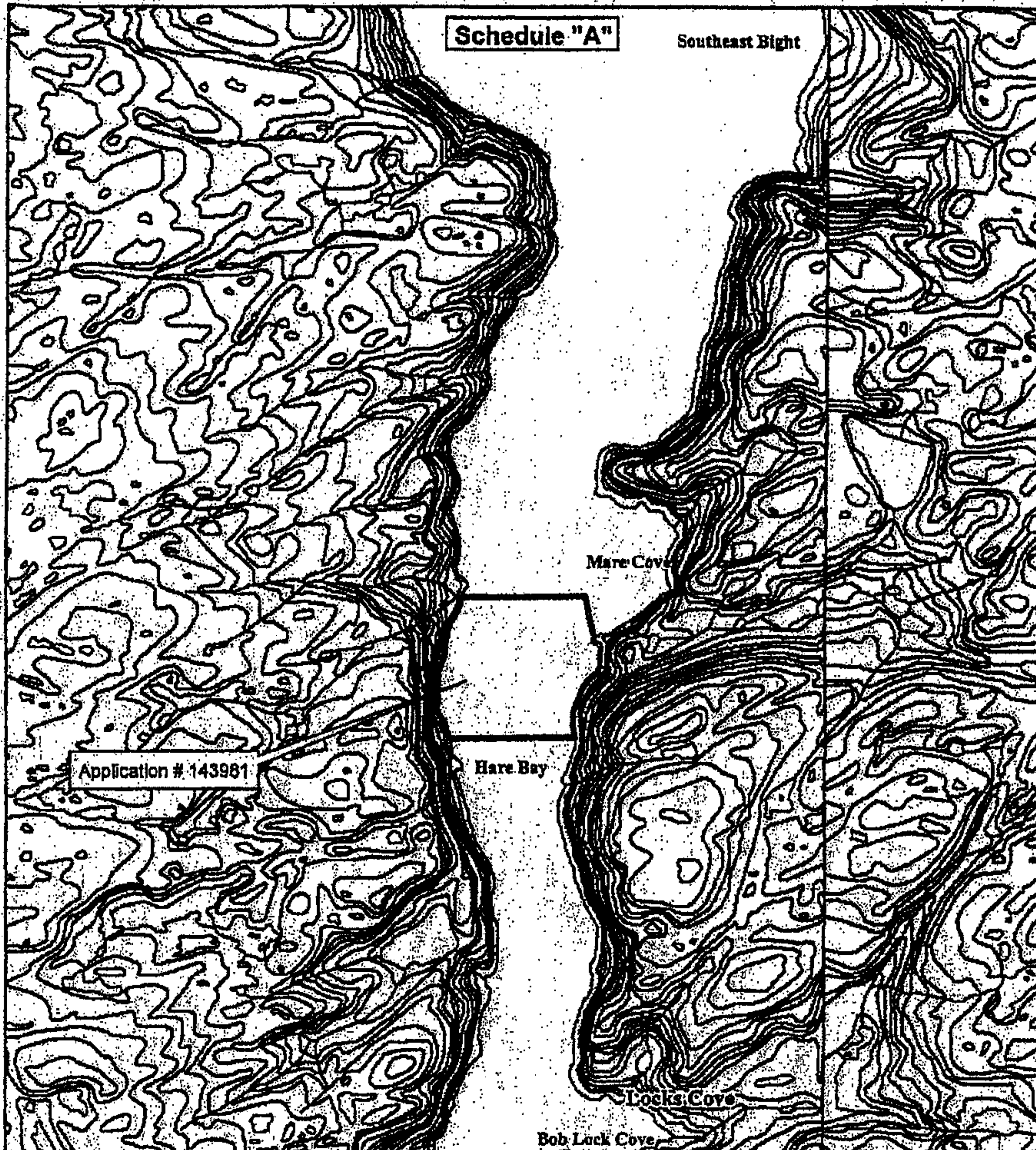
81G2319	Control	07/17/2007 16:38:29	317353.5929	5302192.5344	- 23.1770	- 0.0000
2	Measured	07/26/2008 14:09:16	292950.1979	5280724.4371	7.8074	- 0.0015

David W. Vallis
Newfoundland Land Surveyor
Province of Newfoundland

App. No. 130459

Scale= 1:5000

David W. Vallis
July, 2008



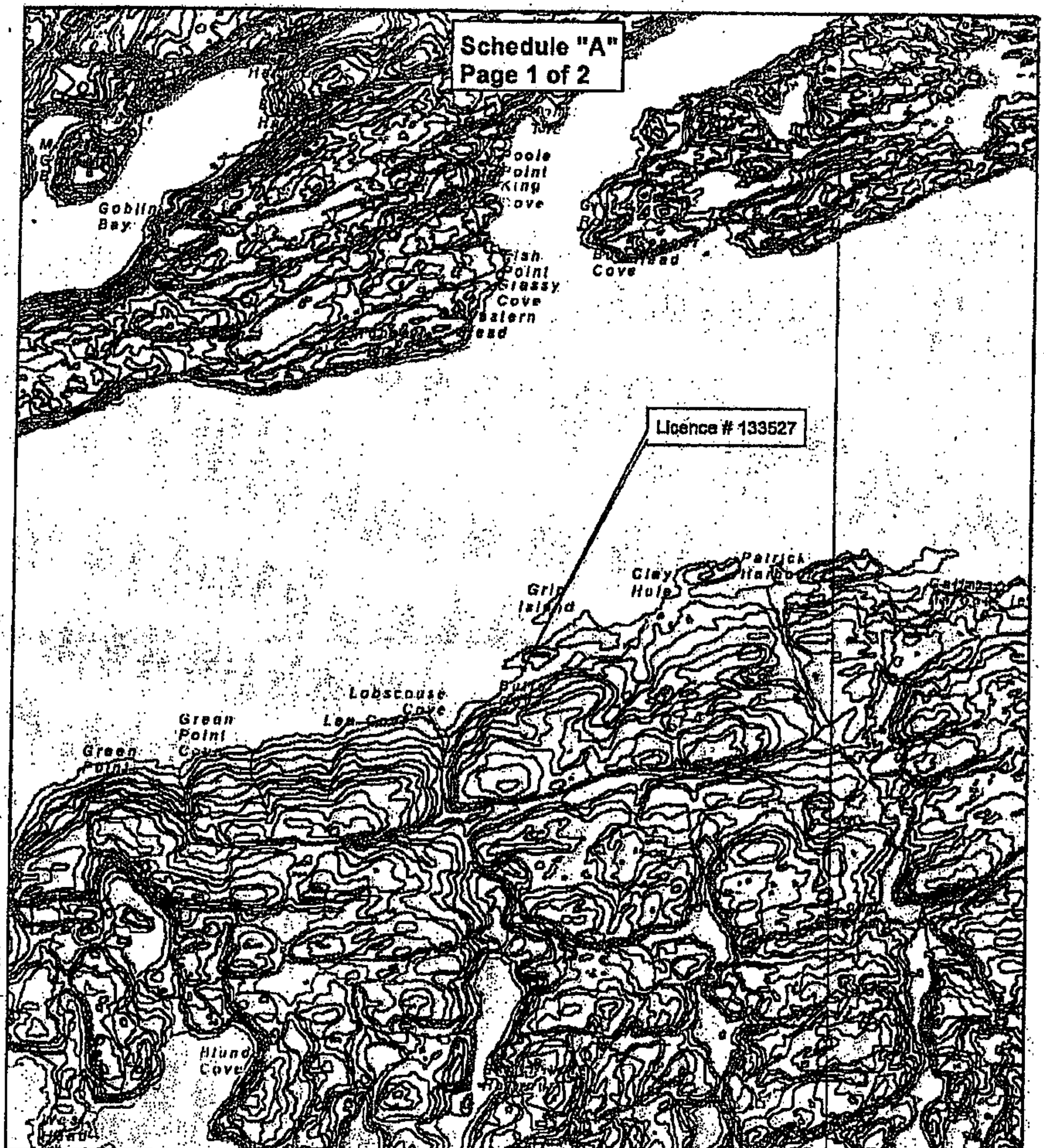
Newfoundland Labrador
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
Department of Environment and Conservation
Lands Branch

Central Regional Lands Office
Fraser Mall
P.O. Box 2222
Gander, NL
Telephone (709) 256-1400
Facsimile (709) 256-1095

Name: Gray Aqua Group Ltd.
Application No.: 143981
Location: Mare Cove
Map No.: 11P10

SCALE: 1: 25, 000

Boundaries and positions of features are approximate

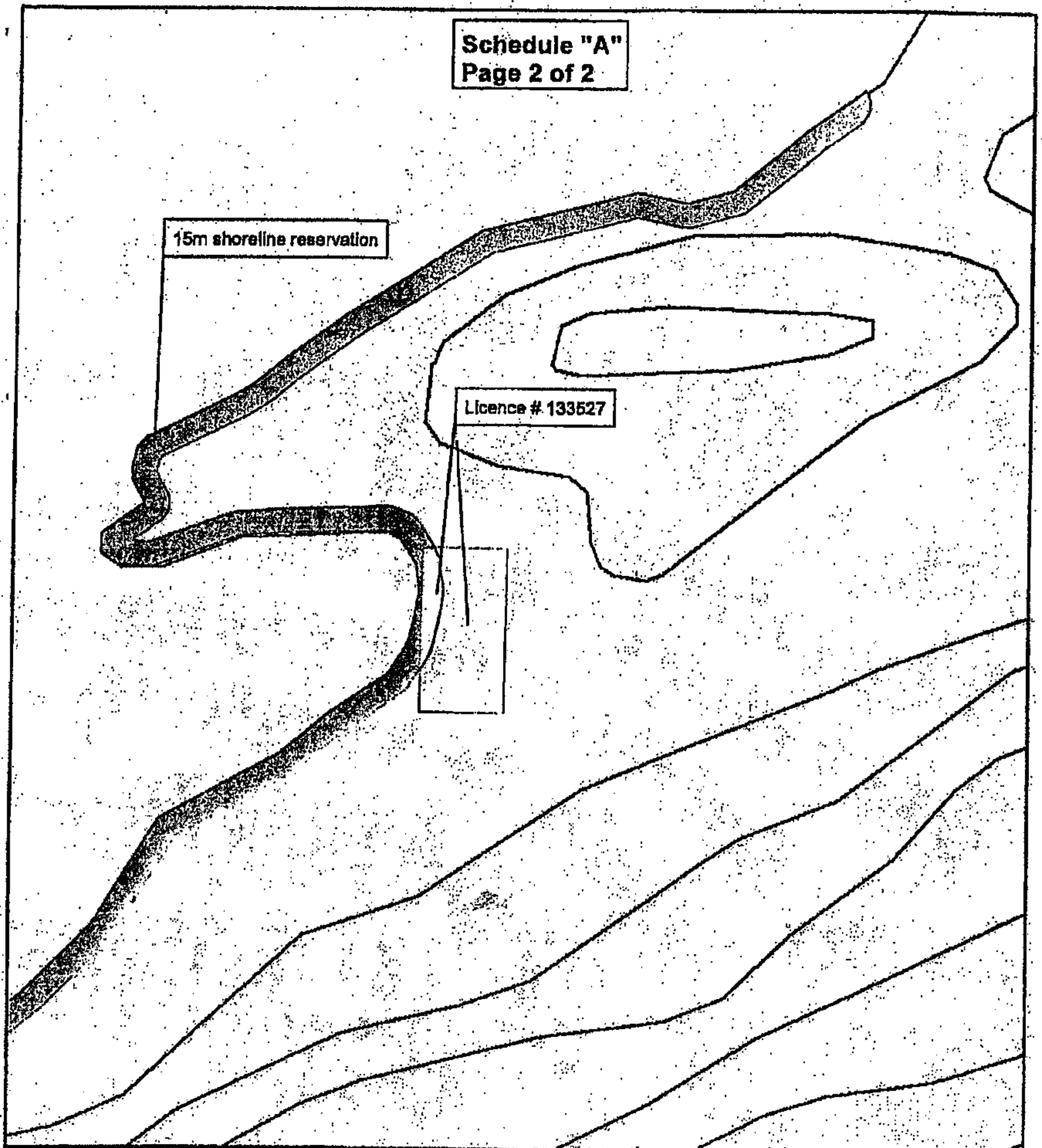


GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Central Regional Lands Office
Fraser Mall
P.O. Box 2222
Gander, NF
Telephone (709) 256 1400
Facsimile (709) 256 100?

Name: GRAY AQUA GROUP LTD.
Licence No.: 133527
Location: Butter Cove
Map No.: 11P9

SCALE: 1: 50, 000

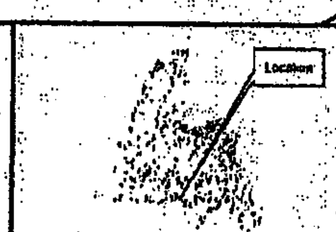


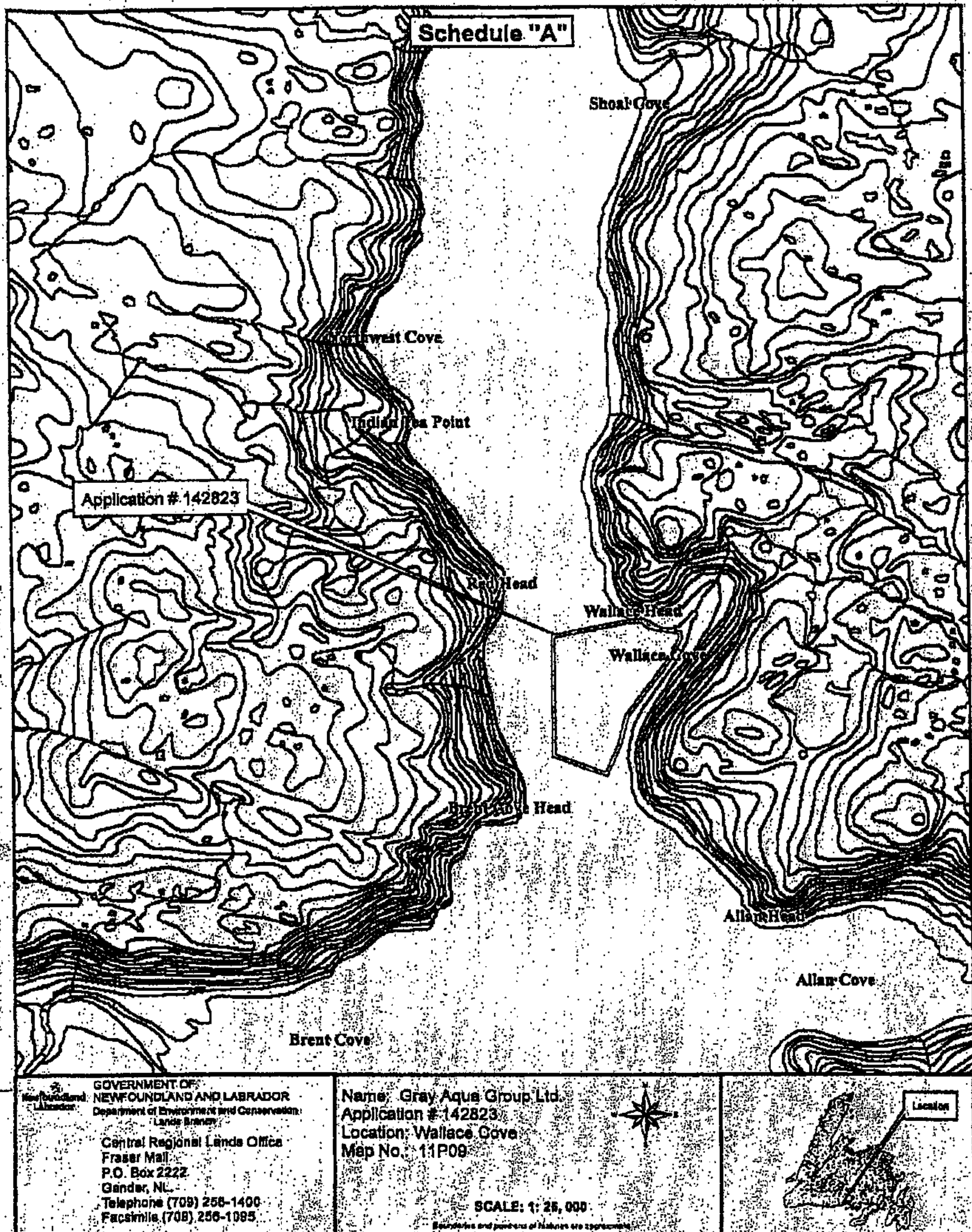
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Central Regional Lands Office
Fraser Mall
P.O. Box 2222
Gander, NL
Telephone (709) 256-1400
Facsimile (709) 256-1005

Name: GRAY AQUA GROUP LTD.
Licence No.: 133527
Location: Butter Cove
Map No.: 11P9

SCALE: 1: 3, 000




Schedule "A"
Shoal Cove
Indian Tea Point
Application # 142823
Red Head
Wallace Head
Wallace Cove
Allan Head
Allan Cove
Brent Cove
GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR
Department of Environment and Conservation
Lands Branch
Central Regional Lands Office
Fraser Mall
P.O. Box 2222
Gander, NL
Telephone (709) 256-1400
Facsimile (709) 256-1095
Name: Gray Aqua Group Ltd.
Application # 142823
Location: Wallace Cove
Map No.: 11P09
SCALE: 1: 25, 000
Location

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier | Numéro d'identification de parcelle :

15065899

Owner | Propriétaire :

N.B.Fisheries & Aquaculture
850 Lincoln RD
PO BOX 6000
Fredericton NB
E3B 9H8
Retracement & Plan or Return of Survey | Retracé et plan ou document d'arpentage
Charlotte 2003-04-01 16027840

Fisheries & Aquaculture
850 Lincoln RD
PO BOX 6000
Fredericton NB
E3B 9H8
Order in Council (TAC) | Décret en conseil (TAC)
Charlotte 2003-04-02 - 16031248

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Lease, Notice of Lease or Sub-Lease | Bail, avis de bail ou sous-bail
Charlotte 2004-08-25 - 18984535

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Assignment of Lease | Cession de bail
Charlotte 2015-01-28 - 34577180

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Assignment of Lease | Cession de bail
Charlotte 2015-03-05 - 34659913

8676658 CANADA INC.
20 Campbell RD
Breadalbane NB
E5C 1P7
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Charlotte 2015-03-05 - 34660093

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2015-03-05 14:46:59

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 4645301

Schedule A | Annexe A

PID | NID : 15065899

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2003-06-18 16:25:11

Legal Description | Description officielle :

Municipality: Hospital Island in Passamaquoddy Bay
Parish: Saint Patrick
County: Charlotte
Parcel designation on plan: Parcel 84-1
Registration number of plan 16027840
County where plan registered Charlotte County
Registration date of plan: April 1,2003
Name of plan: Plan of Aquaculture Survey Aquaculture Site No. 84

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier | Numéro d'identification de parcelle :

15159502

Owner | Propriétaire :

N.B.Fisheries & Aquaculture
850 Lincoln RD
PO BOX 6000
Fredericton NB
E3B 9H8
Retracement & Plan or Return of Survey | Retracé et plan ou document d'arpentage
Charlotte 2003-04-01 16027840

Fisheries & Aquaculture
850 Lincoln RD
PO BOX 6000
Fredericton NB
E3B 9H8
Order in Council (TAC) | Décret en conseil (TAC)
Charlotte 2003-04-02 16031248.

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Lease, Notice of Lease or Sub-Lease | Bail, avis de bail ou sous-bail
Charlotte 2004-08-25 18984535

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Assignment of Lease | Cession de bail
Charlotte 2015-01-28 34577180

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Assignment of Lease | Cession de bail
Charlotte 2015-03-05 34659905

8676658 CANADA INC.
20 Campbell RD
Breadalbane NB
E5C 1P7
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Charlotte 2015-03-05 34660093

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifiées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2015-03-05 14:46:59

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 4645300

Schedule A | Annexe A

PID | NID : 15159502

Apparent Parcel Access | Accès apparent à la parcelle : Public Access | Accès public

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2003-06-18 16:25:22

Legal Description | Description officielle :

Municipality: Hospital Island in Passamaquoddy Bay
Parish: Saint Patrick
County: Charlotte
Parcel designation on plan: Parcel 84-2
Registration number of plan 16027840
County where plan registered Charlotte County
Registration date of plan: April 1,2003
Name of plan: Plan of Aquaculture Survey Aquaculture Site No. 84

Form 47
Formule 47

CERTIFICATE OF REGISTERED OWNERSHIP
CERTIFICAT DE PROPRIÉTÉ ENREGISTRÉE

Land Titles Act, S.N.B. 1981, c. L-1.1, s.63
Loi sur l'enregistrement foncier, L.N.-B. de 1981, chap. L-11, art. 63

Parcel Identifier | Numéro d'identification de parcelle :

15181597

Owner | Propriétaire :

Agriculture and Aquaculture
850 Lincoln RD
PO BOX 6000
Fredericton NB
E3B 5H1
Order in Council (TAC) | Décret en conseil (TAC)
Charlotte 2009-05-22 - 27180844

Manner of Tenure | Mode de tenure :

Not Applicable | Sans objet

Encumbrances | Charges :

8676658 Canada Inc.
20 Campbell RD
Breadalbane NB
E5C 1P7
Lessee | Locataire
Lease, Notice of Lease or Sub-Lease | Bail, avis de bail ou sous-bail
Charlotte 2009-06-24 - 27334482

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Assignment of Lease | Cession de bail
Charlotte 2015-01-28 - 34577115

Gray Aqua Group Ltd.
3801 RTE 105
Northampton NB
E7N 1C7
Lessee | Locataire
Assignment of Lease | Cession de bail
Charlotte 2015-03-05 - 34659855

8676658 CANADA INC.
20 Campbell RD
Breadalbane NB
E5C 1P7
Mortgagee | Créancier hypothécaire
Collateral Mortgage | Hypothèque subsidiaire
Charlotte 2015-03-05 34660093

Instruments in the Registration Process | Instruments dans le processus d'enregistrement :

NONE | AUCUN

THIS IS TO CERTIFY THAT the specified owner is the registered owner and holds title in fee simple, by virtue of the specified instrument(s) and in the specified manner of tenure, to the specified parcel, described in Schedule "A" attached hereto. The title to the land is subject to the overriding incidents specified in subsection 17(4) of the Act and also to the specified encumbrances.
LE PRÉSENT CERTIFICAT ATTESTE QUE le propriétaire spécifié est le propriétaire enregistré et est titulaire du titre en fief simple, en vertu de(s) l'instrument(s) spécifié(s), selon le mode spécifié de tenure de la parcelle spécifiée, décrite à l'Annexe <<A>> ci-jointe. Le titre du bien-fonds est soumis aux réserves dérogatoires précisées au paragraphe 17(4) de la Loi et également aux charges spécifées.

THE TITLE TO THE LAND may be subject to the specified instruments, which have been entered in the instrument record and may be entered on the title register when the registration process is completed.
LE TITRE DU BIEN-FONDS peut être soumis aux instruments spécifiés qui ont été portés au registre des instruments et qui peuvent être portés au registre des titres lorsque la procédure d'enregistrement est achevée.

THIS CERTIFICATE is evidence of the particulars contained herein as of the date and time of its issue. The description is not conclusive as to the boundaries or extent of the land.
LE PRÉSENT CERTIFICAT constitue la preuve des renseignements qu'il contient à la date et à l'heure de sa délivrance. La description n'est pas probante en ce qui concerne les limites ou l'étendue du bien-fonds.

Date & Time | Date et heure : 2015-03-05 14:46:59

Registrar of Land Titles for the District of New Brunswick
Le registrateur des titres de biens-fonds de la Circonscription du Nouveau-Brunswick

Report ID | Rapport ID : 4645302

342

Schedule A | Annexe A

PID | NID : 15181597

Apparent Parcel Access | Accès apparent à la parcelle : No Access | Aucun accès

Status | État de la demande : Current | Courant

Effective Date/Time | Date et heure de prise d'effet : 2009-07-14 10:04:36

Legal Description | Description officielle :

Place Name: Hog Island in Passamaquoddy Bay
Parish: Saint Patrick
County: Charlotte
Label of Parcel on Plan: Site No. MF-0504
Title of Plan: Plan of Aquaculture Survey, Aquaculture Site No. MF-0504
Registration County: Charlotte
Registration Number of Plan: 27192336
Registration Date of Plan: May 25, 2009

SCHEDULE 3

BDC monthly payment schedule to accompany Inter-creditor agreement

		Loan number	Outstanding balance	Monthly Principal	Monthly Interest	Total monthly
Hatchery						
Gray Aqua Farms	3801 Route 105, Northampton, NB (PID 10241453) GSA (wells and tanks)	053001-01	[redacted]		Base rate plus [redacted]	
		053001-02	[redacted]		Base rate plus [redacted]	
Gray Aqua Management	3801 Route 105, Northampton, NB (PID 10241479)	059711-01	[redacted]		Base rate plus [redacted]	
Vessel						
Gray Aqua Processing	Atlantic Harvester II	062492-02	[redacted]	[redacted]	Base rate plus [redacted]	
Gray Aqua Group	GSA – AEG Feeder	049865-03	[redacted]	[redacted]	Base rate plus [redacted]	
Everything Else						
Gray Aqua Group		049865-02	[redacted]		Base rate plus [redacted]	

THIS IS EXHIBIT "Y" TO

THE AFFIDAVIT OF JAMES W. HALL

SWORN BEFORE ME THIS 15TH

DAY OF APRIL, 2016

A Commissioner etc.

EY
Building a better working world

Dieppe
11 Englehart Street
Dieppe, NB E1A 7Y7
Tel: +1 506 853 3097
Fax: +1 506 859 7190

Fredericton
527 Queen Street
Suite 110
Fredericton, NB E3B 3T2
Tel: +1 506 455 8181
Fax: +1 506 455 8141

Halifax
RBC Waterside Centre
1871 Hollis Street
Suite 500
Halifax, NS B3J 0C3
Tel: +1 902 420 1080
Fax: +1 902 420 0503

Saint John
Red Rose Tea Building
5th floor
12 Smythe Street
Saint John, NB E2L 5G5
Tel: +1 506 634 7000
Fax: +1 506 634 2129

St. John's
Fortis Place
5 Springdale Street
Suite 800
St. John's, NL A1E 0E4
Tel: +1 709 726 2840
Fax: +1 709 726 0345

Ernst & Young Inc.
Atlantic Canada
ey.com

Chaitons LLP
Attention: Mr. Philip Taylor
5000 Yonge Street
10th Floor
Toronto Ontario M2N 7E9

13 April 2016

Gray Aqua Farms Ltd., Gray's Aqua Management Ltd., Gray Aqua Processing Ltd., Gray Aqua Group Ltd., Butter Cove Aqua Farms Ltd., Pass-My-Can Aqua Farms Ltd., Goblin Bay Aqua Farms Ltd., Jervis Island Aqua Farms Ltd., M. Gray Holdings Ltd., 608672 N.B. Ltd., 608690 N.B. Ltd., 608691 N.B. Ltd., 608715 NB Limited and 608716 NB Limited (collectively referred to as the "Debtor" or the "Gray Aqua Group of Companies")

Dear Mr. Taylor:

The undersigned is prepared and hereby consents to act as the Court appointed Receiver and Manager of the Gray Aqua Group of Companies in accordance with the draft Court Order substantially prepared in the form requested by Callidus Capital Corporation.

I confirm that Ernst & Young Inc. is a member of CAIRP and carries professional liability coverage.

Yours very truly,

Ernst & Young Inc.

Per

George Kinsman, CPA, CA, CIRP, LIT
Senior Vice President