

CANADA)
PROVINCE OF SASKATCHEWAN)

IN THE QUEEN'S BENCH
JUDICIAL CENTRE OF SASKATOON

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE
CREDITORS OF STOMP PORK FARM LTD.

STOMP PORK FARM LTD.

APPLICANT

AFFIDAVIT OF IVAN STOMP
WITH EXHIBITS A – E

Robertson Stromberg Pedersen LLP
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STOMP PORK FARM LTD.

APPLICANT

AFFIDAVIT OF IVAN STOMP

I, IVAN STOMP, of the District of Humboldt, in the Province of Saskatchewan,
MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of Stomp Pork Farm Ltd., the Applicant in the within action and as such have personal knowledge of the facts and matters herein deposed to except where stated to be based on information and belief, and whereso stated, I verily believe the same to be true.

I. Background and Corporate History of Stomp Pork Farms Ltd.

2. I am the sole director of Stomp Pork Farms Ltd. ("Stomp"). Along with being a director, I exclusively hold 200 Class "A" Voting Shares, and 200 Class "B" Non-voting Shares. Each of my three daughters, being Cristal Stomp, Jackie Stomp, and Stacey Stomp, hold 456 Class "B" Non-voting Shares, respectively, for a total of

1368 Class "B" Shares. There are no other shareholders in Stomp. As of the date of this application, Stomp is a corporation that is incorporated under the laws of the Province of Saskatchewan. Stomp was incorporated on or about February 6, 1985, with its registered office being located in the City of Saskatoon, Saskatchewan. Attached hereto and marked as Exhibit "A" to this my Affidavit, is a true copy of the Saskatchewan Justice Corporate Profile Registry Report for Stomp, as at March 19, 2008.

3. In my capacity as sole director of Stomp, I hereby authorize its solicitors, Robertson Stromberg Pedersen LLP, to bring this application under the provisions of the *Companies' Creditors Arrangement Act* of Saskatchewan, and hereby append to my Affidavit as Exhibit "B", a Director's Resolution addressing same.
4. Stomp is primarily in the business of pork production, and operates out of a number of facilities in Saskatchewan, as well as the United States. Stomp first began producing hogs in 1985, with a 450 sow operation. Over the years, the operations have grown and expanded, to current numbers of approximately 27,000 sows.
5. Stomp's head offices and primary place of business are located on the SE 36-35-21 W2, in the RM of Leroy, Saskatchewan. This location has served as Stomp's head office since approximately 1993, and employs approximately 15 administrative and managerial staff. This is also where my home is located.
6. My own personal involvement in the hog industry began in 1978, with a mixed grain and hog operation located near Broadview, Saskatchewan.
7. Approximately six years later, I relocated to Lanigan, when a hog operation became available there. After incorporating Stomp in 1985, we noted that Stomp's hog population had been plagued by a variety of diseases.
8. In order to eradicate this, we began an extensive depopulation effort to address the disease issue that had infiltrated our hogs. This was a lengthy process, but in the end, and as of the fall of 1986, we had produced and restocked 450 sows with the issue of disease now under control. We referred to this operation as SPF #1.

9. In 1989, Stomp expanded its operations, adding another 350 sows, for a total of 800 sows at this point.
10. In 1993, Stomp again expanded to a location 15 miles north of our previous location and added a 1,200 sow farrow to finish facility. We refer to this operation as SPF #2. Concurrently, I also built our family's new home on this site, all of which was located on the SE 36-35-21 W2 in the RM of Leroy.
11. In 1996, Stomp added an additional 1,200 sow farrow to finish facility, which brought our total capacity to 3,200 sows. This new facility was located 7 miles southeast of our primary facility and was a stand alone facility. We refer to this operation as SPF #3.
12. In February 2001, a fire devastated our operation by destroying approximately 90 per cent of SPF #2. After much deliberation, a decision was made not only to rebuild this facility, but expand it to a 5,000 unit breeding and farrowing operation and to concurrently build a 20,000 head nursery to facilitate the piglets that were being produced at SPF #2.
13. At approximately this same time, Stomp invested a substantial amount of capital into the construction of a feed mill, which was utilized to service the Stomp's operations.
14. While rebuilding SPF #2, approximately 100 local and community shareholders entered into an arrangement whereby they formed a co-operative association which later became known as Leroy Agra-Pork Co-operative Ltd. With this Co-operative, they built four 10,000 head finishing facilities, to accommodate the pork that was being raised. In the end, Stomp would rent these facilities from Leroy Agra-Pork Co-operative Ltd. on a monthly basis.
15. In 2004, an opportunity came along for Stomp to purchase Heartland Pork Management Services Ltd. ("Heartland Pork") from what was then the Saskatchewan Wheat Pool. This acquisition was substantial for Stomp's operations and increased its capacity from 7,500 sows to 27,000 sows.

16. Amongst the substantial assets involved in this transaction, the new facilities acquired by Stomp in the Heartland Pork agreement included facilities at each of Carrot River, Cudworth, Purdue, Neilburg, Dinsmore, Kensington, and Flintoff, Saskatchewan. These facilities added substantial capacity to Stomp's operations on an immediate basis.
17. Originally, the assets of Heartland Pork were acquired and operating under Sterling Pork Farm Ltd. However, in April of 2006, Sterling Pork Farm Ltd. and Stomp Pork Farm Ltd. amalgamated into Stomp Pork Farm Ltd., which continued operations on a going forward basis.
18. Shortly after Stomp's acquisition of Heartland Pork's assets, the hog industry began to experience significant changes, particularly in the area of pork packing. Several major Canadian packers began to consolidate at that point and many Canadian producers began looking to the United States for packing services. This was attributed to the fact that the American packing costs were more cost effective.
19. Stomp soon followed this trend and its US operations began to increase. It concurrently entered into a number of arrangements in the United States whereby it would lease a number of finishing facilities from a variety of US operators. These facilities were located in the states of Iowa, Minnesota and South Dakota, and included approximately 70 facilities in all. With some exceptions, these U.S. facilities were smaller scale operations, which accommodated an average of 2500 head.
20. A system was put into place whereby the hogs were bred, born and raised (at least initially) in our Saskatchewan facilities and then shipped to the United States to complete their growth process, before being processed.
21. Stomp's US operations were managed by three corporations, being:
 - (a) ProPig located in Worthington, Minnesota;
 - (b) Lynngarrels; and

(c) Deluxe Feeds.

22. At the peak of its operations, Stomp employed in excess of 250 employees throughout its numerous Saskatchewan operations. Currently however, its employee base dropped to a staff of approximately 185.

II. Assets Owned by Stomp

A. Real Estate Properties Owned by Stomp

23. Stomp owns a total of 53 properties located in the Province of Saskatchewan (the "Stomp Properties") and listed in Schedule "C".
24. Attached and marked as Exhibit "D" to this Affidavit are true copies of the Certificates of Title to the properties listed in Schedule "C".

B. Hog Inventory Owned by Stomp

25. As at February 29, 2008, the cumulative value of Stomp's hog inventory situated in both Canada and the U.S. was \$24,021,074. Particulars of which are attached and marked as Exhibit "E".

III. Creditors of Stomp

26. At the time of this application, Stomp owes approximately \$53,768,807.16 to its secured creditors and an additional \$5,489,698.72 to its unsecured creditors, resulting in a total aggregate indebtedness owed by Stomp to its creditors of approximately \$59,258,505.88.

A. Secured Creditors

27. The principal secured creditors of Stomp are:
- (a) The National Bank of Canada ("NBC");

- (b) Farm Credit Canada (“FCC”);
- (c) The Government of Saskatchewan, Department of Agriculture and Food (“SK”);
- (d) Ford Credit Canada;
- (e) GMAC Leaseco Corporation; and
- (f) John Deere Credit.

Overview of the Secured Creditors

28. NBC and FCC together hold the majority of the secured debt. FCC, NBC and Stomp entered into a *Pari Passu* agreement which defined the priorities of NBC and FCC as between themselves. Generally speaking, FCC has taken a greater security in the real property owned by Stomp, and NBC has taken a greater security with respect to accounts and inventory. SK has postponed its security in all present and after acquired property in favour of the security interests of both NBC and FCC. Generally, the remaining secured creditors hold security interests in various serial numbered goods.
29. The National Bank of Canada and Stomp entered into a series of agreements on April 25, 2006. These agreements related to NBC lending \$20,000,000.00 to Stomp, and included the following (see Exhibits “F” to “J”):
- (a) Mortgage against all of the real property of Stomp in the amount of \$5,000,000.00 (Exhibit “F”);
 - (b) General Assignment of Book Debts (Exhibit “G”);
 - (c) General Security Agreement (Exhibit “H”);
 - (d) Acknowledgement of Debt Revolving Demand Credit Agreement in the amount of \$15,000,000.00 (Exhibit “I”); and
 - (e) Security Under Section 427 of the *Bank Act* (Exhibit “J”).
30. Farm Credit Canada and Stomp entered into an agreement on April 25, 2006 in which FCC loaned \$27,500,000.00 to Stomp. This loan was secured by the following (see Exhibits “K” to “L”):

- (a) Mortgage against all of the real property of Stomp in the amount of \$27,500,000.00 (Exhibit "K"); and
- (b) A Security Agreement (Exhibit "L").
31. On May 1, 2006, FCC, NBC and Stomp entered into a *Pari Passu* Agreement (appended at Exhibit "M"). This *Pari Passu* Agreement defines the priority structure among the NBC Mortgage, the NBC Line of Credit, and the Line of Credit secured by the FCC Mortgage.
32. On November 15, 2007, the *Pari Passu* Agreement was amended with the consent of all parties. This amendment was drafted because both NBC and FCC each loaned Stomp an additional \$3,000,000.00. Appended are the amended *Pari Passu* agreements (Exhibit "N"), a mortgage given to FCC to secure an additional \$3,000,000.00 revolving line of credit (Exhibit "O"), and also an additional security agreement (Exhibit "P"). Please note, NBC processed its documents relating to this loan internally and are therefore not appended.
33. As stated, the total indebtedness of Stomp as of February 29, 2008 was approximately \$59,258,505.88. Of this debt, \$53,768,807.16 is secured debt and \$5,489,698.72 is unsecured debt. An approximate breakdown of the secured debt is as follows:

(a)	Long term debt (NBC and FCC)	\$33,222,360.15;
(b)	NBC operating loan	\$14,300,000.00;
(c)	Department of Food and Agriculture hog loan	\$5,000,000.00;
(d)	Short term loan FCC, NBC	\$1,100,000.00;
(e)	GMAC and Ford Leases	\$92,032.65; and
(f)	GM, Ford, John Deere	<u>\$54,414.36</u>
	Total	\$53,768,807.16

(Exhibit "Q" Balance Sheet as at February 29, 2008)

Unsecured Creditors

34. As of February 29, 2008 the approximate indebtedness of Stomp to unsecured creditors was \$5,489,698.72. This indebtedness is distributed among approximately 132 vendors (see Exhibit "R" for "A/P Aged Payables by Due Date", dated March 14, 2008).

35. As at February 29, 2008, Stomp was indebted to the following unsecured creditors:

(a)	Cargill Animal Nutrition	\$744,085.00;
(b)	Hogemann Transport Ltd.	\$78,920.84;
(c)	Favel Transportation Inc.	\$28,363.45;
(d)	Epp's Trucking	\$26,159.64
(e)	Accounts Payable	\$4,200,774.24;
(f)	Payroll and Vacation payable	\$610,686.55;
(g)	Accrued Interest	\$457,504.19;
(h)	Other Payables	\$56,118.85; and
(i)	Due to Shareholders	\$609.53

(See document previously appended as Exhibit "Q" - Balance Sheet as at February 29, 2008)

36. According to Stomp's Balance Sheet its indebtedness to unsecured creditors as of February 29, 2008 was as follows:

(a)	Accounts Payable	\$4,200,774.24;
(b)	Payroll and Vacation payable	\$610,686.55;
(c)	Accrued Liabilities	\$457,504.19;
(d)	Accrued Interest	\$164,005.36;
(e)	Other Payables	\$56,118.85; and
(f)	Due to Shareholders	\$609.53

37. Since February 29, 2008, Stomp's indebtedness to many of its creditors has increased substantially. As an example, Cargill's unsecured debt has gone from \$744,085.00 to \$2,200,000.00.

IV. Causes of Insolvency of Stomp

38. At all materials times, I have served as sole director and CEO of Stomp. During this period, I have witnessed both upturns and downturns in the Saskatchewan pork industry.
39. At the present time, however, the financial capacity of the hog industry and, in particular, Stomp, is being tested significantly. I attribute this to two separate, but related variables.
40. The first of these is that the price of hogs in the market today. In my view, the depressed prices being incurred by Saskatchewan hog producers can be directly attributed to a number of variables, which include, but are not limited to the following:
- (a) At the moment, there exists a surplus in hog inventory numbers;
 - (b) At the moment, there exists a decreased demand for hogs due to not having yet hit the summer months, which traditionally have been our industry's busiest time of year;
 - (c) Most importantly though, Stomp has been devastated by the surging Canadian dollar, which has negatively affected export prices.
41. Over my years in the hog industry, I have witnessed prices vary from time to time. Low prices are not a new phenomenon and, in the past, Stomp has been able to absorb these prices and continue with its operations in any event. However, the situation at hand is different from the past in that, at the moment, Stomp is also facing extraordinarily high input costs, primarily associated with increased feed

costs. This is the second of the variables.

42. I have seen feed costs rise from approximately \$55.00 to \$95.00/per animal in the last year. Obviously, the variables that determine feed costs are numerous and include, but are not limited to: international production, traditional crops (such as wheat) being used for bio-fuel purposes (like ethanol), and the increased international demand for cereals. Stomp primarily feeds its sows feed barley and wheat.
43. These variables, along with others, have forced upwards the prices of feed grain from under \$2.00/bushel to \$4.00/bushel or higher. When these numbers are extrapolated over the size of Stomp's considerable operations, the costs incurred have simply been difficult to sustain.
44. To illustrate, and although Stomp's management and industry practices have remained constant over the last several months, the market variables set out in the previous paragraphs have reduced Stomp from a reasonably profitable corporation to a corporation that has fallen onto very difficult financial times. In Stomp's view, these difficult financial times are solely attributed to circumstances beyond the control of its management. I am of the view that the current team of managers in place at Stomp are highly experienced and capable of, once again, turning these operations around. I have the utmost confidence that, with a short term injection of capital into Stomp's operations, that the short term obstacles have presented can be overcome.
45. Stomp simply lacks the resources to pay all of its obligations as they come due and is unable to pay its debts in a timely manner. Stomp has deferred making regular and timely payments to the majority of its creditors and has stretched the terms of credit beyond what its creditors are prepared to accept. In particular, Stomp has been unable to make (and, in some instances, has not made) any significant payments on the debt owed to both its secured and unsecured creditors.
46. Stomp is currently insolvent and is unable to meet its liabilities as they become due.

47. Stomp has further been advised by certain of its unsecured creditors, and I verily believe, that they cannot continue to supply Stomp with the feed and supplies that are required to conduct its day to day operation. Without the feed and supplies, the operations of Stomp will cease almost immediately.
48. In particular, Stomp's primary supplier of feed for its Saskatchewan operations is Cargill Animal Nutrition ("Cargill"). The feed that Cargill supplies to Stomp is an integral element of its operations. At the moment, Stomp has been able to remain current on its payment obligations to Cargill and, thus, remains particularly concerned that this business relationship will be damaged beyond repair. Should this occur, Stomp's ability to operate would be severely restricted. Cargill has indicated that it will not supply further feed unless it is paid in advance or otherwise secured. More feed will be required from Cargill before the end of the week or Stomp will not be able to feed its hog inventory.
49. Additionally, should Stomp's operations cease and should it fall into Bankruptcy, the consequences would be severe. In particular, Stomp's current management is integral to maintaining the continuity of its operations as between its facilities in Saskatchewan and the United States. Given the large volumes of inventories that flow between these operations, a smooth transition here (in accordance with a strategic plan) would be essential to all involved.

V. Cash Flow Projections & Financial Statements

50. With the assistance of Meyers Norris Penny Limited, a current picture of cash flow projections (the "Cash Flow Projections") and financial projections for Stomp up to February 29, 2008 have been prepared. These Cash Flow Projections are based on the assumption that Stomp is able to obtain an initial order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") and a stay of proceedings against it by its creditors.

51. Attached and marked collectively as Exhibit "S" to this Affidavit are true copies of the Cash Flow Projections, together with true copies of the following financial statements for Stomp, namely:
- (a) internally prepared unaudited Cash Flow Projections for Canadian Operations for dates between March 17, 2008 to May 2, 2008;
 - (b) internally prepared unaudited Cash Flow Projections for US Operations for dates between March 17, 2008 to May 2, 2008;
 - (c) audited Financial Statements prepared by Norris Meyers Penny LLP for the fiscal ending April 30, 2007;
 - (d) internally prepared unaudited Balance Sheet as at February 29, 2008;
 - (e) internally prepared unaudited Statement of Operations for the ten months ended February 29, 2008 which includes Canadian and U.S. income;
 - (f) internally prepared unaudited Statement of Operations for the ten months ended February 29, 2008 for Canadian operations;
 - (g) internally prepared unaudited Statement of Operations for the ten months ended February 29, 2008 for U.S. Operations;
 - (h) internally prepared unaudited Schedule of Other Revenues for the ten months ended February 29, 2008.
52. I have determined from my review of the Cash Flow Projections, and I believe it to be true, that between the present date and May 2, 2008, Stomp is expected and projected to experience a collective cash flow deficiency of approximately \$3,075,405.00 to facilitate both its Canadian and U.S. operations. In order to remedy this cash flow deficiency, Stomp intends to negotiate suitable terms for Debtor-in Possession Financing ("DIP Financing") and to return to Court at an early date to seek an Order authorizing Stomp to obtain DIP Financing and granting a court-ordered charge on the assets of Stomp to secure the DIP Financing.

VI. Proposed Restructuring of Stomp

53. In light of the circumstances set forth in the preceding paragraphs, Stomp seeks a stay of proceedings under the CCAA in order to provide it with the time necessary to develop and present a plan for the restructuring of its business and financial affairs.
54. In particular, Stomp intends to seek an immediate cash flow injection from its lenders in the approximate amount of \$3,000,000.00 to allow it to continue with its operations over the next six weeks. A further injection may be required in addition to this minimum amount.
55. Stomp believes that the continued ability of it to carry on business will add value to its assets, both as a result of the business operations themselves and as a result of the increased value of Stomp could expect to generate from its operations (in whole or in part) as a going concern (as opposed to a liquidation – style sale of its assets).
56. The proposed Initial Order sought by Stomp will therefore contain provisions authorizing Stomp to sell assets:
 - (a) In the ordinary course of its business, without approval from the Court; and
 - (b) Outside of the ordinary course of its business, without specific approval of the Court in regards to any transactions (or series of transactions).
57. The proposed Initial Order which Stomp seeks to obtain under the CCAA contains a court ordered charge against the property of Stomp as security for payment by Stomp of the total aggregated professional fees and disbursements incurred by the proposed monitor, legal counsel to the proposed monitor and legal counsel to Stomp both prior to and after the making of the proposed initial order.
58. Based on my detailed involvement with Stomp, and my review of the appraised values of Stomp, Stomp is optimistic that a reasonable possibility exists for it to restructure its business and financial affairs if it is given the opportunity to do so. Among the options available to Stomp in this regard are the following (without

limitation):

- (a) Conducting a sale of Stomp assets (which have been identified in the strategic plan as being unproductive at present, and in the reasonably foreseeable future) under the supervision of a Court appointed selling officer operating within the CCAA proceedings;
 - (b) Compromising and/or negotiating management payment terms for the indebtedness owing by Stomp to its unsecured creditors; and
 - (c) Seeking suitable opportunities to obtain refinancing, so as to enable Stomp to replace certain components of its high interest debt obligations, with debt involving more conventional sustainable interest rates.
59. As of the beginning of this week, NBC and FCC both indicated that they would not support a filing under the CCAA. As a result, Stomp entered into negotiations with NCB and FCC for the purpose of obtaining a bulge credit facility.
60. As of yesterday, satisfactory arrangements could not be made regarding a bulge credit facility.
61. Last evening, after the failure of those negotiations, NBC indicated that it would support a CCAA filing in principle. Discussions have continued today and at the time of swearing this affidavit, it is anticipated that NBC will agree to the terms in the draft order which Stomp intends to file with its application.
62. Based on our conversations with FCC, it is not expected that FCC would support a CCAA filing. We simply have not had time to reopen discussions this morning. However, there are no realistic alternatives at the present time to a CCAA filing, as a result of the situation with Cargill.
63. With respect to Cargill, negotiations began this week regarding a standstill agreement whereby Cargill would forego payments on the past debts for the moment and that Cargill would be paid on a go forward basis. The success of a standstill agreement however was predicated on bulge financing being advanced,

which it does not appear will happen.

64. Stomp instead intends to obtain a CCAA Initial Order, which would include a provision for a post-application trade creditors charge to protect Cargill's interests, and those of other similar trade creditors in the post-filing operations.
65. I suggest this to be a reasonable accommodation in favour of those creditors, as they supply in many cases on a daily basis, which makes the administration of a COD payment schedule or a deposit scheme rather complicated and expensive, and as the supplies they deliver to Stomp ensure that our business remains in operation and will support our efforts to reorganize.
66. In order to have a meaningful CCAA filing, Stomp requires cash flows to pay creditors on a go-forward basis.
67. NBC has indicated that it will provide DIP financing of approximately \$3,000,000.00 as set out in the Term Sheet, appended as Exhibit "T". However, as a pre-condition to forwarding DIP financing, NBC has indicated that it requires that its Revolving Operating Demand Facility be exempted from the terms of the Initial Order. In view of the substantial commitment of DIP financing being advanced by NBC, and in view that NBC has not sought an exemption of its term facilities, Stomp is prepared to agree to NBC's terms and file its CCAA application on that basis.
68. Stomp will be seeking immediate approval of the DIP facility, as the amount requested is not in excess of the sum required to get Stomp through to the end of the initial stay period, and as, has been noted above, absent an immediate injection of operating funds, Stomp will be obliged to cease operations almost immediately.
69. In order to minimize the impact on the subordinate creditors, secured and unsecured, of the DIP Financing and of the charges proposed in the draft Initial Order, it has been agreed that the charges created in support of each will be allocated on the basis of 50% being charged against current assets of Stomp and 50% against fixed assets.

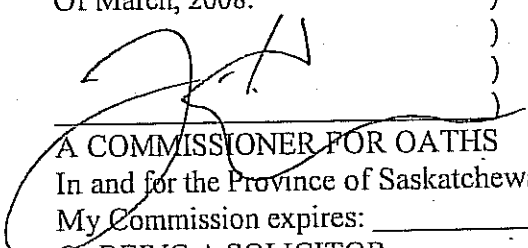
70. If granted a stay of proceedings under CCAA and protection from its creditors, Stomp intends to forthwith put into place a strategic plan whereby it would reduce, and perhaps eliminate, its US operations.
71. The cash flows from the US operations have, in the past, been neutral. However, based on projections and discussions with MNP, it is expected that situation will change. Stomp will need to seriously restructure its US operations. There are a number of available options, and these will be reviewed at the earliest opportunity with the Monitor.
72. In the meantime, however, Stomp has a substantial amount of inventory located in the United States. Our staff is too far away from the inventory to enable easy supervision by Stomp. The same can be said of supervision, by the Monitor, and by National Bank, which has a first charge on that inventory.
73. We have taken some time to acquaint the Bank with the potential risk which will arise in the event that the US creditors are not kept current, as Stomp's inventory is, essentially at the mercy of those in whose possession it has been placed.
74. We have also considered the possibility that the law in the various states in which the inventory is located may provide for possessory liens over our inventory.
75. We have discussed with counsel and with the Bank, the possibility of obtaining a Chapter 15 Order under the United States Bankruptcy Code, however we realize that even then, there is no assurance that we will not have difficulties arise with the US inventory.
76. Accordingly, Stomp and NBC have agreed that the most effective way of managing the inventory presently located in the US is to exempt the US operations from the Initial Order, and to permit them to operate in the satisfactory manner in which they have to date.
77. It is Stomp's plan, that concurrent with it restricting (and potentially eliminating) its


US operations, to then amend its Canadian operations where it would then refocus its efforts on the front end (and more profitable) of the hog production cycle. Stomp would then displace the higher risk finishing process to other operators.

78. With that said, Stomp is appreciative that the industry is ever-changing and that the profitability of a particular section can rise and fall from time to time. Given this, Stomp would in the ideal wish to retain some flexibility (in this process) to permit it to re-enter the finishing operations if the financial circumstances of that sector were to change. In Stomp's view, the ability to adapt to market variables is an integral aspect of its restructuring plan. Stomp is appreciative of the fact that the industry is fluid and that changes to strategic plans are essential to economic strategy.
79. While Stomp's current financial circumstances appear dire, it should be noted that a number of variables, just beyond its control, have the ability to significantly improve cash flow. These variables include, but are not limited to, the monies that may become available with the sale of Stomp's feed mill, the same of which is pending. Additionally, Stomp is likely to receive, subject to some administrative delays, a significant cash injection related to its entitlements under the Canadian Agricultural Income Stabilization Program ("CAIS").
80. If Stomp is not granted a stay of proceedings under CCAA and protection from its creditors, the likely result will be that secured or unsecured creditors of Stomp will commence proceedings to protect their respective security interests. A receiver may be required to be appointed to assist in this process. Moreover, the likely consequence of such actions will be the receivership or bankruptcy of Stomp, severe and permanent disruption of relationships with suppliers and business partners and the permanent erosion of the value of Stomp.
81. I make this Affidavit in support of an application by Stomp under the provisions of the CCAA for an Order substantially in the form of the draft Initial Order filed in support of this application declaring that the Applicant is a corporation to which the CCAA applies, appointing Meyers Norris Penny Limited as monitor of Stomp, granting a stay of proceedings on the terms set out in the draft initial order,

dispensing with service of this application and granting such other relief as set out in the draft Initial Order, all as particularly requested in the Originating Notice issued on behalf of the Applicant.

SWORN BEFORE ME at the City)
Of Saskatoon, in the Province of)
Saskatchewan, this 26th day)
Of March, 2008.)


A COMMISSIONER FOR OATHS
In and for the Province of Saskatchewan.
My Commission expires: _____
OF BEING A SOLICITOR



IVAN STOMP

This *Affidavit of Ivan Stomp* was delivered by:

Robertson Stromberg Pedersen LLP
Barristers and Solicitors
600, 105 21st Street East
Saskatoon, SK S7K 0B3

Address for Service:	Same as above
Lawyer in Charge of File:	M. Kim Anderson
Telephone:	(306) 933-1344
Fax:	(306) 652-2445

This is Exhibit "A" referred to in the
affidavit of Ivan Stomp
sworn before me this _____ day of
March, A. D. 20 08

A Commissioner for Oaths in and for
Saskatchewan

Saskatchewan



Justice

Corporations

CORPORATIONS BRANCH Corporate Registry Profile Report

Entity No: 101084313
Entity Name: STOMP PORK FARM LTD.

As of: 26-Mar-2008

Entity Name: STOMP PORK FARM LTD.
Entity Number: 101084313
Status as of Profile date: Active

Entity Type: BUSINESS CORPORATION
Entity Sub Type: SASKATCHEWAN CORPORATION

Incorporation Date: 25-Apr-2006
Home Jurisdiction: SASKATCHEWAN
Annual Return/Renewal Date: 31-May-2008

Nature of Business: SWINE FARM

Registered Office:
Name: STOMP PORK FARM LTD.
Address: 600 105 21ST ST. E
City/Province: SASKATOON, SK
Country/Postal Code: CANADA, S7K0B3

Mailing Address:
Name: STOMP PORK FARM LTD.
Address: 600 105 21ST ST. E
City/Province: SASKATOON, SK
Country/Postal Code: CANADA, S7K0B3

Allowable Number of Directors: Min: 1 Max: 5

Director/Officer/Shareholder Information:

Name:	STOMP, CRISTAL	Director:	NO
Address:	SE 36-35-21 W2ND	Shareholder:	YES
City/Province:	HUMBOLDT, SK	Class Name:	D
Country/Postal Code:	CANADA, S0K2A0	Shares Held:	456.00

Director/Officer/Shareholder Information:

Name: STOMP, JACKIE Director: NO
 Address: SE 36-35-21 W2ND
 City/Province: HUMBOLDT, SK Shareholder: YES
 Country/Postal Code: CANADA, S0K2A0

Class Name: D
 Shares Held: 456.00

Director/Officer/Shareholder Information:

Name: STOMP, STACEY Director: NO
 Address: SE 36-35-21 W2ND
 City/Province: HUMBOLDT, SK Shareholder: YES
 Country/Postal Code: CANADA, S0K2A0

Class Name: D
 Shares Held: 456.00

Director/Officer/Shareholder Information:

Dir Became: 25-Apr-2006
 Name: STOMP, IVAN Director: YES
 Address: SE 36-35-21 W2ND Officer Position: PRESIDENT
 City/Province: HUMBOLDT, SK Shareholder: YES
 Country/Postal Code: CANADA, S0K2A0
 Resident Canadian: YES

Class Name: A
 Shares Held: 200.00
 Class Name: B
 Shares Held: 200.00

Share Structure:

Class	Voting Rights	Authorized Number	Issued Number
A	YES	UNLIMITED	200.00
B	NO	UNLIMITED	200.00
C	YES	UNLIMITED	00.00
D	NO	UNLIMITED	1368.00
E	NO	UNLIMITED	00.00
F	NO	UNLIMITED	00.00
Total Number of Shares issued:			1768.00

General Information:

Licensed with Consumer Protection Branch: NO

Corporations involved to form Amalgamation:

Entity No: 573149
 Entity Name: STOMP PORK FARM LTD.
 Entity No: 101056222
 Entity Name: STERLING PORK FARM LTD.

Event History:

Event

AMALGAMATION
ANNUAL RETURN (Filed on the Web)

Date

25-Apr-2006
29-May-2007

STOMP PORK FARM LTD.

DIRECTOR'S RESOLUTIONS

The undersigned, being the sole director of Stomp Pork Farm Ltd. (the "Corporation"), hereby signs the following resolutions pursuant to subsection 112(1) of *The Business Corporations Act* of Saskatchewan:

BE IT RESOLVED THAT:

1. The Corporation engage the legal services of Robertson Stromberg Pedersen LLP and to bring application for an initial Order under the *Companies' Creditors Arrangement Act*.
2. The President of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver under the corporate seal or otherwise, all such instruments, documents and writing and to perform and do all such other acts and things as he in his discretion may consider to be necessary, desirable or useful for the purpose of giving effect to this resolution.

DATED the 26 day of March, 2008.



Ivan Stomp

This is Exhibit "B" referred to in the
affidavit of Ivan Stomp
sworn before me this _____ day of
March, A. D. 20 08

A Commissioner for Oaths in and for
Saskatchewan

SCHEDULE "A"

**REAL ESTATE PROPERTIES OWNED BY
STOMP PORK FARM LTD.**

1. SW Sec 24 Twp 33 Rge 21 W2, Ext. 0
Surface Parcel #114003526
As described on Certificate of Title 99H08926
2. SE Sec 23 Twp 33 Rge 21 W2, Ext. 0
Surface Parcel #114003492
As described on Certificate of Title 99H08924
3. SE Sec 36 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114035802
As described on Certificate of Title 99H08925
4. SW Sec 36 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114029276
As described on Certificate of Title 94H10544
5. SE Sec 31 Twp 35 Rge 20 W2, Ext. 0
Surface Parcel #113997189
As described on Certificate of Title 97H00111
6. SW Sec 31 Twp 35 Rge 20 W2, Ext. 0
Surface Parcel #113989955
As described on Certificate of Title 02H01835B
7. NE Sec 30 Twp 35 Rge 20 W2, Ext. 0
Surface Parcel #113997178
As described on Certificate of Title 02H01837
8. NW Sec 30 Twp 35 Rge 20 W2, Ext. 0
Surface Parcel #113997167
As described on Certificate of Title 02H01835A
9. SE Sec 30 Twp 35 Rge 20 W2, Ext. 0
Surface Parcel #113997156
As described on Certificate of Title 02H01835A
10. SW Sec 30 Twp 35 Rge 20 W2, Ext. 11
Surface Parcel #152328832
As described on Certificate of Title 02H01835, description 11

This is Exhibit "C" referred to in the
affidavit of Ivan Stomp
sworn before me this _____ day of
March, A. D. 20 08

A Commissioner for Oaths in and for
Saskatchewan

11. SE Sec 32 Twp 34 Rge 20 W2, Ext. 0
Surface Parcel #113339998
As described on Certificate of Title 99H08927
12. NW Sec 32 Twp 35 Rge 20 W2, Ext. 0
Surface Parcel #113997213
As described on Certificate of Title 01H03427
13. Blk/Par XPlan No. 01H06776, Ext. 0
Surface Parcel #152878180
As described on Certificate of Title 01H08746
14. Blk/Par APlan No. 101601458, Ext. 1
Surface Parcel #151696929
As described on Certificate of Title 00SC10470, description 1
15. Blk/Par APlan No. 101635668, Ext. 21
Surface Parcel #151879203
As described on Certificate of Title 00SC10472, description 21
16. Blk/Par APlan No. 101601425, Ext. 10
Surface Parcel #161593173
As shown on Plan 101860860
17. Blk/Par APlan No. 101663344, Ext. 4
Surface Parcel #151480065
As described on Certificate of Title 00SC10474, description 4
18. Blk/Par APlan No. 101762287, Ext. 6
Surface Parcel #150394440
As described on Certificate of Title 01SC02019, description 6
19. SE Sec 24 Twp 51 Rge 12 W2, Ext. 0
Surface Parcel #135364068
As described on Certificate of Title 98PA17044
20. Blk/Par APlan No. 101388629, Ext. 22
Surface Parcel #136090762
As described on Certificate of Title 99PA00699, description 22
21. Blk/Par BPlan No. 101742522, Ext. 11
Surface Parcel #146941308
As described on Certificate of Title 99PA00452(3), description 11
22. Blk/Par APlan No. 101742522, Ext. 10
Surface Parcel #146941285
As described on Certificate of Title 99PA00452(3), description 10

23. Blk/Par APlan No. 101796532, Ext. 29
Surface Parcel #149186098
As described on Certificate of Title 99H06971, description 29
24. Blk/Par APlan No. 101775977, Ext. 27
Surface Parcel #149186144
As described on Certificate of Title 98H10170, description 27
25. Blk/Par APlan No. 101779690, Ext. 10
Surface Parcel #148887017
As described on Certificate of Title 99H02987, description 10
26. Blk/Par APlan No. 101668754, Ext. 6
Surface Parcel #149116631
As described on Certificate of Title 98MW05933, description 6
27. Blk/Par BPlan No. 101495033, Ext. 10
Surface Parcel #147604192
As described on Certificate of Title 98MW05934, description 10
28. NW Sec 10 Twp 34 Rge 17 W3, Ext. 4
Surface Parcel #147551520
As described on Certificate of Title 99MW02630, description 4
29. Blk/Par APlan No. 101578068, Ext. 9
Surface Parcel #149368663
As described on Certificate of Title 98MW15800, description 9
30. Blk/Par APlan No. 101578079, Ext. 12
Surface Parcel #149368719
As described on Certificate of Title 98MW11969, description 12
31. NW Sec 07 Twp 28 Rge 02 W3, Ext. 12
Mineral Parcel #151097823
As described on Certificate of Title 99MW01802, description 12
32. NW Sec 07 Twp 28 Rge 02 W3, Ext. 12
Mineral Parcel #151097823 except:
- Coal as referenced on Certificate of Title 99MW01802
33. Blk/Par APlan No. 101563657, Ext. 13
Surface Parcel #151097812
As described on Certificate of Title 99MW01802, description 13
34. Blk/Par APlan No. 101081179, Ext. 14
Surface Parcel #105296902
As described on Certificate of Title 99MJ01928, description 14

35. Blk/Par APlan No. 101435734, Ext. 46
Surface Parcel #146673579
As described on Certificate of Title 99MW07372, description 46
36. SE Sec 05 Twp 43 Rge 11 W3, Ext. 0
Surface Parcel #130815716
As described on Certificate of Title 99B18478
37. Blk/Par APlan No. 101562948, Ext. 11
Surface Parcel #145891907
As described on Certificate of Title 97B17719, description 11
38. Blk/Par APlan No. 101553151, Ext. 5
Surface Parcel #149141404
As described on Certificate of Title 97B17721, description 5
39. Blk/Par APlan No. 101584571, Ext. 2
Surface Parcel #149141358
As described on Certificate of Title 97B17723, description 2
40. NE Sec.12 Twp 05 Rge 03 W3, Ext. 1
Surface Parcel #102585146
As described on Certificate of Title 98MJ04779
41. NE Sec 12 Twp 05 Rge 03 W3, Ext. 2
Surface Parcel #102684179
As described on Certificate of Title 98MJ04779
42. Blk/Par APlan No. 99B20311, Ext. 1
Surface Parcel #152564744
As described on Certificate of Title 99B20311
43. Lot 8 Blk/Par 308 Plan No. 68B01812, Ext. 0
Surface Parcel #131371185
As described on Certificate of Title 97B17253
44. Lot 9 Blk/Par 308 Plan No. 68B01812, Ext. 0
Surface Parcel #131371196
As described on Certificate of Title 97B16705
45. Lot 10 Blk/Par 308 Plan No. 68B01812, Ext. 0
Surface Parcel #131371208
As described on Certificate of Title 97B16705
46. Lot 11 Blk/Par 308 Plan No. 68B01812, Ext. 0
Surface Parcel #131371219
As described on Certificate of Title 97B16705

47. Blk/Par EPlan No. 101874472, Ext. 0
Surface Parcel #161587794
Title #130502630
48. SW Sec 25 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #120617399
As described on Certificate of Title 02H01888
49. SE Sec 25 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114029704
As described on Certificate of Title 95H07961
50. NE Sec 36 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114035813
As described on Certificate of Title 01H08071
51. NW Sec 36 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114029287
As described on Certificate of Title 01H08072
52. NW Sec 25 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114028949
As described on Certificate of Title 02H01542D
53. NE Sec 25 Twp 35 Rge 21 W2, Ext. 0
Surface Parcel #114028950
As described on Certificate of Title 61H06869