

## **MUSTARD CAPITAL INC. (MCI) SEEKS FINANCIAL REORGANIZATION**

**February 2, 2012, Gravelbourg, SK** – Mustard Capital Inc. is announcing today that it is pursuing restructuring with its creditors. MCI has engaged the accounting firm of Ernst & Young (EY) and the law firm of MacPherson Leslie & Tyerman (MLT) as its team of restructuring professionals to lead a reorganization of its financial affairs.

MCI recently expanded into a second facility in Vanguard, SK. A combination of expansion cost overruns and operational losses from delayed development of its new capacity have put MCI in the position where it is required to seek restructuring of its debt.

With the assistance of EY and MLT, the Company has prepared and filed a Notice of Intention to Make a Proposal to its Creditors under Section 50.4 of the *Bankruptcy and Insolvency Act*. This process provides the Company with an initial period of thirty days within which to develop and present to its creditors a proposal to restructure its business and financial affairs.

During this process, it is the intention of MCI to carry on “**business as usual.**” To the full extent possible, MCI will strive to meet all of its ongoing obligations to its employees, farmer suppliers, and customers and will carry on business in the usual manner.

MCI is currently seeking to secure an injection of interim operating credit with which to fund its restructuring efforts and anticipates making a further announcement in that regard within the next few business days.

With the assistance of its professional advisors at EY and MLT, the Company is confident in its ability to succeed in restructuring its business and financial affairs and looks forward to the continued support of farmers and other supplier partners to serve its valued customers in the years ahead.

For more information, please contact Tom Halpenny, CEO, at 306-648-2799.

## QUESTIONS AND ANSWERS

1. **Does this mean that MCI is entering into bankruptcy?**
  - No, the provision of the Bankruptcy and Insolvency Act provides for the protection from creditor actions for a period that allows the company to develop a restructuring plan.
2. **How does MCI finance operations during the period of the Stay?**
  - MCI is arranging short-term financing that will enable it to continue its operations.
  - MCI will ensure arrangements for delivery on farmer contracts held. Security to farmers will be provided by participating with another licensee of the Canadian Grain Commission, or MCI will pay cash for purchases.
3. **Will MCI be able to retain its farmer contracts and sales contracts?**
  - The contractual terms of farmer contracts and customer sales contracts remain in place. MCI will communicate regularly with all contract holders to ensure the continued support of all contractual partners.
4. **Will there be layoffs or other internal restructuring?**
  - The objective of the restructuring will be to get the company back on solid financial footing. All activities will be examined to ensure they contribute to the bottom line.

