DOMINION CITRUS LIMITED

VALUATION AT MARCH 31, 2014

Klein Farber
Corporate Finance Inc.
MEMBER OF FARBER FINANCIAL GROUP

DOMINION CITRUS LIMITED

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August 18, 2014

Private & Confidential

Dominion Citrus Limited & Dominion Citrus Income Fund
165 The Queensway, Suite 302
Toronto, Ontario, M8Y 1H8

Attention: Mr. Ernie Collinson, CFO & VP - Finance

Dear Sir:

Re: Valuation of Dominion Citrus Limited

INTRODUCTION

In accordance with your request, Klein Farber Corporate Finance Inc. ("Klein Farber") has prepared the accompanying report and schedules setting out our estimate of the en bloc value of the equity of Dominion Citrus Limited ("Dominion" or the "Company"), as at March 31, 2014 (the "Valuation Date").

Additionally, as per your request, we have provided an estimate of the value of the Company's Dominion Farm Produce Ltd. subsidiary ("Dominion Farm") and the value of the residual businesses of the Dominion were Dominion Farm to be removed from the Company.

We understand that our estimate of value ("Estimate of Value") of Dominion is required by management and the Board of Directors of the Company ("Management") and the trustees of Dominion Citrus Income Fund (the "Fund") for strategic planning purposes and that the valuation of Dominion Farm is required for tax purposes in connection with a planned corporate reorganization involving the Fund.

This valuation report may not be circulated for any purpose other than that indicated, without the writer's prior written consent.

ENGAGEMENT

Klein Farber's conclusions were developed, and this valuation report has been prepared, in conformity with the Standards of the Canadian Institute of Chartered Business Valuators.

INDEPENDENCE

The reported analyses, opinions and conclusions are those of Klein Farber and are limited only by the key assumptions and restrictions listed herein.

Klein Farber has no direct or indirect, present or prospective interest in the Company, the Fund or in any of their related parties and has acted independently in preparing this Estimate of Value report. Further, Klein Farber's compensation is not contingent on any action or event resulting from analyses, opinions or conclusions contained in, or the use of, this valuation report.

CONCLUSION

As per the attached report and schedules and subject to the assumptions, restrictions and scope of our work as set out herein, we estimate the fair market value of the equity of Dominion and Dominion Farm to be as follows:

Valuation of Dominion Citrus Limited En Bloc			
	Low	Midpoint	High
		Enterprise Value	
Discounted Cash Flow	11,789,866	14,156,111	16,522,356
Sum of Parts	5,120,765	7,876,015	10,631,265
		Equity Value	
Discounted Cash Flow	(11,202,603)	(8,836,358)	(6,470,113)
Sum of Parts	(14,226,151)	(11,470,901)	(8,715,651)

Enterprise Value of Dominion Citrus Limited Without Dominion Farm			
	Low	Midpoint	High
Value of Dominion Farm (Stand-alone basis)	7,860,000	8,300,000	8,740,000
Value of Dominion Citrus Limited En-Bloc	11,789,866	14,156,111	16,522,356
Loss of Value due to Dominion Farm Exclusion	(8,581,735)	(9,453,727)	(10,325,718)
Valuation of Dominion Citrus Limited Excluding Dominion Farm	3,208,131	4,702,385	6,196,638

Yours very truly,

Blair Roblin, CBV

Klein Farber Corporate Finance Inc.

DEFINITIONS

Fair market value is the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

Fair Value is a value term commonly used in connection with minority shareholder dissent and oppression remedy rights, describing the basis upon which the acquisition price for the minority shares is to be determined.

Adjusted net book value is defined as the equity that results when intangible assets are removed from an unadjusted balance sheet and all other assets and liabilities are restated to fair market value.

Goodwill is defined in valuation terminology as an intangible asset of a business when the business has value in excess of its net identifiable assets. Simply put, goodwill is the difference between the fair market value of a business and its adjusted book value.

Redundant assets are assets not required in the operations of a business in order to achieve its current level of profitability and, therefore, these assets are considered to be in excess of the value of the operating assets of the business.

Tangible asset backing (TAB) is the value of the operating assets minus operating liabilities of a business and excludes redundant assets and debt. TAB is not a primary valuation technique but rather it is generally used in conjunction with an income-based technique to assess the downside risk of a going concern.

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VALUE DEFINITION

Given the purpose of the valuation, the term "value" in this valuation report shall refer to Fair Market Value, as defined above.

RESTRICTIONS

This report is not to be used for any purpose other than that outlined herein without our prior written consent. For clarity, the report may not be used for any purposes other than to assist the Board of Directors of Dominion in evaluating their strategic options. The valuation conclusions provided herein do not pertain to value of the Fund. As such, this report is not intended for use by unit holders of the Fund to evaluate any future potential transaction, and may not be appropriate for that purpose. We do not assume any responsibility or liability for losses occasioned by you, the Company, the Fund, its unit holders or any related or third parties as a result of the use of our report contrary to the provisions of this paragraph.

Klein Farber has relied upon, without audit or independent verification, financial and non-financial information provided to us by Management or obtained from public sources, and we offer no assurances thereto.

Value has been determined based on a notional marketplace. The actual price at which a sale of the Company or Dominion Farm could take place in the open market may be higher or lower than a notional value, and only when a business interest is exposed for sale can the price be quantified with any degree of certainty.

No special purchasers have been identified in the marketplace. Special purchasers are defined as those purchasers who, for their own particular economic reasons, would be prepared to pay a higher price for the Company or Dominion Farm than would otherwise be available in the marketplace.

We reserve the right, but will be under no obligation, to review all calculations included or referred to in this report and, if considered necessary, to revise this report in light of any existing information that subsequently becomes known to Klein Farber after the date of this report.

Value is determined at a specific point in time. Our value conclusions are as at the Valuation Date indicated. If the Company or Dominion Farm were to be valued at a date other than that indicated, different value conclusions may be reached.

This valuation report does not constitute a recommendation to invest in or divest of an interest in the Company or Dominion Farm.

SCOPE OF ANALYSIS

In preparing this valuation report, Klein Farber has reviewed and relied, in part, upon the following:

- External audited financial statements for Dominion for the fiscal years ended December 31, 2010 – December 31, 2013, with comparatives;
- Internal financial statements for Dominion, by business segment, for the fiscal years ended December 31, 2010 – December 31, 2013;
- Management's internal consolidated financial statements for the period ended March 31, 2014;
- The segmented budget for the 2014 fiscal year;
- Management's summary of non-recurring and discretionary expenses incurred in each of the last five fiscal years and expected to be incurred in the current 2014 fiscal year;
- For each business segment, an analysis of revenue by customer for each of the last three fiscal years;
- For each business segment, an analysis of cost of sales by supplier for each of the last three fiscal years;
- Management's analysis of overhead expenses by business segment;
- Lease agreements relating to the facilities leased by the Company at the Ontario Food Terminal ("OFT");
- An independent third party appraisal of the land and building owned by the Company and operated by Dominion Farm in Bradford, Ontario, prepared by PricewarterhouseCoopers LLP and dated June 18, 2014 (the "Appraisal");
- Other financial and non-financial information pertaining to the Company;
- Independent research into current economic conditions and the industry in which the Company operates;

- Research undertaken to identify publicly traded companies and transactions involving companies comparable to Dominion; and

- Discussions with and information provided by:
  - Mr. Winston Ash, CEO and Chairman of the Board of Dominion
  - Mr. Ernie Collinson, CFO and VP-Finance of Dominion;
  - Ms. Slava Klems, Financial Controller of Dominion; and
  - Mr. Tony Tomizza, General Manager of Dominion Farm.

ASSUMPTIONS

Our Estimate is based upon the following assumptions:

- Management's 2014 fiscal budget and assumptions regarding longer-term financial & operating results represent the best estimate of future operating results as at the Valuation Date.
- The financial position of the Company as at March 31, 2014, was accurately represented by the interim internal balance sheet as provided by Management.
- The fair market values of the assets and liabilities of the Company are equal to their respective net book values, unless otherwise noted.
- The financial debt obligations of the Company rank in priority to the common and preferred equity of the Company.
- As at the Valuation Date, the net working capital levels attributed to each business unit reflected the normal working capital levels required to support those respective business units.
- Unless otherwise noted, all inter-segment business transactions were conducted at market rates and reflect required services that would otherwise need to be provided by a third party.
- There have been no non-recurring, unusual or discretionary expenses incurred over the time frame reviewed in our report, except as noted herein.
- Dominion does not have significant undisclosed liabilities, contingent liabilities, contractual obligations, substantial commitments or litigation pending or threatened at the Valuation Date or at present, other than those disclosed herein, and that would be expected to arise in the ordinary course of business.
- The Company does not have any redundant assets or liabilities with the exception of those noted herein.

As at the Valuation Date, the pool of net operating losses available to the Company to reduce future taxable income was under dispute with the Canada Revenue Agency ("CRA"), with the possible outcome ranging from approximately $3.4 million to approximately $5.5 million.

As at the Valuation Date, Dominion was engaged in litigation with a former employee of the Company, with the two parties counter-suing each other. Based on discussions with Management, it is our understanding that the possible outcome of these countersuits ranges from a payment of $1.4 million to an award of $2.5 million.

Klein Farber has made many assumptions with respect to the industry, business and economy and other matters in preparing this Estimate. Although believed to be appropriate in the circumstances, because of the inherent nature of these assumptions some or all of them may prove to differ from those actually experienced by the Company in the future.

Other assumptions are as noted throughout this Estimate of Value report and accompanying schedules.

Unless otherwise specified, all figures are in Canadian dollars.

BACKGROUND

Dominion Citrus Limited

Dominion is a company resident in the Province of Ontario. The Company was incorporated in 1935.

Through a number of business units, Dominion is engaged in fresh produce wholesaling and food processing businesses in Ontario and Québec.

The Company offers fresh produce procurement, processing, repacking, warehousing, and distribution services. The Company also imports and sells fresh fruits and vegetables and packages, markets, and distributes fresh produce under the Country Fresh brand. It also provides private label packaging services to supermarket chains and independent food retailers. In addition, it imports, ripens, monitors, and controls the maturation of bananas and other tropical produce including pineapples, avocados, mangoes, limes and papayas, which are sold to retail and food service customers. Dominion also provides value added services, such as grading, bagging, colour sorting, packaging, and storage for retail and food service customers.

The Company was founded in 1935 and is headquartered in Toronto, Canada. Dominion is a wholly owned subsidiary of the Fund, a public entity traded on the Toronto Stock Exchange (TSX:DOM.UN).

Operations

The operations of the Company are conducted through the following subsidiaries and business units:

<u>Dominion Citrus Distribution (DCD)</u>
Dominion's largest division, DCD began operations in 1935. The division operates out of the Ontario Food Terminal (OFT) in Toronto and sources and imports fresh fruits and vegetables from around the world, distributing them to customers primarily in Ontario and Quebec.

DCD's fixed assets include primarily warehousing equipment such as forklifts, crates and refrigeration units.

A significant intangible asset not recorded on DCD's balance sheet is its long-term lease of two stalls at the OFT. It is our understanding that currently, all the stalls at the terminal are fully utilized and stalls become available for lease very infrequently. Furthermore, based on discussions with Management it is our understanding that a presence at the terminal is necessary for the Company to be a successful distributor of produce in the province of Ontario.

Management has represented that there is sufficient excess capacity at the OFT facility to significantly increase distribution volumes should the opportunity present itself.

DCD also owns a number of trucks it uses to deliver produce to its customers. The trucks are operated by drivers who are on DCD's payroll. Trucks used to import produce from California, Arizona, Florida and other North American locations are brokered by DCD.

The division sells to produce retailers including Highland Farms, T&T Supermarkets and Longos.

DCD employs approximately 43 unionized and non-unionized employees. It is our understanding that a new collective bargaining agreement has recently been signed with the union and that historically labour relations have been good. The number of full-time employees has remained fairly constant over the last several years.

DCD purchases much of its inventory from U.S. based sources. The business pays for these purchases in $US Dollars which it buys at prevailing spot rates, leaving it exposed to fluctuations in the $USD / $CAD exchange rate for 21-25 days.

The business segment is headed by a general manager with 30 years of industry experience who is responsible for overseeing the sales and procurement efforts of DCD.

<u>Dominion Farm Produce (Dominion Farm)</u>

Since 1956, Dominion Farm has been operating in Bradford, Ontario. The subsidiary packages, markets and distributes fresh produce from the Holland Marsh under the “Country Fresh” brand, as well as other private label packaging. The business is managed by Tony Tomizza who has over 30 years of experience at this facility and is the son on the former owner of the business prior to its acquisition by Dominion.

The subsidiary focuses primarily on more resilient, longer life produce, i.e. carrots, onions, beets and parsnips. We understand that due to the proximity of the facility to the fertile Holland Marsh

area as well as the quality of Management's long-term relationship with local farmers, the business is able to provide high quality produce.

Dominion Farm's customers include most large national supermarket chains, as well as a number of smaller independent food retailers.

The subsidiary operates out of a 17,000 square foot owned facility in Bradford, Ontario. This facility houses sorting lines, packaging lines and warehousing equipment. It is our understanding that the real estate and equipment are in good condition and that there is sufficient excess capacity at the facility to significantly increase production and distribution volumes if the opportunity presented itself.

The Bradford facility was recently appraised and the fair market value per the Appraisal was estimated to be in the range of $2.2 million to $2.7 million.

<u>Country Fresh Packaging (Country Fresh)</u>

Country Fresh Packaging provides value-added services including grading, bagging, colour sorting, packaging and storage for retail and food service customers. It has been in operation since 1976.

The division operates out of a 7,000 square foot leased facility in Toronto, Ontario. This facility houses the packaging, sorting and grading equipment. It is our understanding that during certain seasons throughout the year volumes processed by the business unit are constrained by the refrigeration capacity available at the facility.

DCD has the logistical capabilities and the relationships with the ultimate suppliers that bring the produce to Country Fresh's door. The majority of Country Fresh's volumes in recent years relate to the Moroccan clementine program as well as the tomato sorting program for McDonalds Canada, which has been in existence for over 10 years.

Country Fresh's largest customer is Martin-Brower of Canada Inc., a distributor for McDonalds. Additionally, a significant volume of re-grading work on Fresh Fruit Moroc clementine is provided for DCD. Together these two customers have accounted for approximately 85% of sales in each of the last 3 fiscal years.

Meschino Banana Company (Meschino)

Established in 1920, the Meschino Banana Company currently operates in Toronto, Ontario. It imports, ripens, monitors and controls the maturation of bananas. Meschino also handles other tropical produce such as lime, pineapple and mango for retail and food service customers across Ontario. The business was owned by Joe Meschino until its purchase by the Company approximately 12 years ago.

The division operates out of a facility in central Toronto, the lease for which was recently renewed for a five year period. The facility contains specialized ripening rooms used to ripen the bananas. The division also owns a number of trucks for delivery to smaller independent customers.

It is our understanding that while there are a number of banana importers active in the province, only a small number of them have ripening facilities that enable them to ensure delivery of the product at the exact "life-cycle" moment desired by their customers.

Meschino sells to many of the same customers served by DCD but maintains its own relationships with those organizations and their buyers.

Based on discussions with Management, it is our understanding that the business of Meschino is highly competitive and has experienced the occasional price war over the last number of years. The business is also very relationship driven and the division relies on the experience of its management and brokers to maintain their relationships with the buyers of its various customers.

Les Aliments Dominion Citrus Limitee (Bo-Fruits)

Bo-Fruits, a Quebec City based distributor of fresh produce, was acquired in February 2004 (as Distribution Bo-Fruits Inc.). This company provides geographic and customer base diversification in the Quebec marketplace.

Bo-Fruits is a niche business that caters to smaller retail players, providing high quality produce at premium pricing in a slightly less competitive environment.

The company's general managers have been successful at adapting the business to the demands of their customers and introducing new products and new suppliers as needed.

It is our understanding that the relationships of the general managers are key to driving the sales of the business and that this is reflected in an incentive bonus plan that has been made available to management.

The business operates out of an owned facility and owns a number of trucks used to deliver produce to its customers.

Corporate Division

Dominion's corporate division consists of the overhead functions required to plan, manage and oversee the operations of the various business units. These overhead functions and related costs consist of various administrative functions including: Information technology, accounting, legal, human resources and senior management including the CEO and CFO.

SUMMARY OF FINANCIAL POSITION

Schedule 4 provides a summary of the Company's segmented and consolidated financial position as at March 31, 2014.

As at March 31, 2014, the Company's net trade working capital stood at approximately $1.2 million consisting of approximately $7.3 million in current assets and $6.0 million in current liabilities, representing a trade current ratio of approximately 1.2. Based on discussions with Management, a review of the Company's historical financial position and research into financial information for the wholesale produce industry, we are of the view that as at the Valuation Date the Company's balance sheet reflected a normal level of working capital.

The net book value of Dominion's property, plant and equipment is comprised of land and building (62%), transportation equipment (6%), manufacturing equipment (28%), and furniture, fixtures and computer equipment (5%). The assets of Dominion Farm and Bo-Fruits accounted for 43% and 32%, respectively, of the net book value as at March 31, 2014. We note that the net book value of the land and building held by Dominion Farm as at the Valuation Date was approximately $750,000 while its fair market value, as determined by the Appraisal, was approximately $2.45 million.

Other assets include an intercompany receivable from the Fund in the amount of approximately $720,000.

Goodwill relates primarily to the acquisition of Meschino Banana. We note that there is likely considerable value attached to the agreement for the lease of the stalls at the OFT, however this value is not reflected on the Company's balance sheet.

As at March 31, 2014 the Company had a sizable pool of net operating losses for tax purposes to be used to reduce future taxes payable. It is our understanding that as of the Valuation Date the quantum of the pool was in dispute with the Company claiming a balance of approximately $5.5 million and the Canada Revenue Agency ("CRA") recogizing approximately $3.4 million.

As at the Valuation Date, the Company's interest bearing debt included approximately $170,000 in capital leases, $19.3 million in long-term debt in the form of notes held by the Fund, and $3.5 million in accrued interest owing on those notes.

The Company is engaged in litigation with a former employee. The employee has sued the Company and Dominion has counter-sued. Based on discussions with Management, it is our understanding that the litigation process could result in a range of outcomes from a $1.5 million payment by Dominion to a $2.5 million award in the Company's favour.

Dominion's equity includes both common and preference shares. The preference shares and their related accrued but unpaid were recorded as liabilities on the Company's balance sheet in accordance with accounting principles.

SUMMARY OF HISTORICAL AND FORECAST OPERATING RESULTS

Schedule 5 provides a summary of the consolidated historical and forecast operating results for Dominion. Summary income statements for the individual business segments can be found in Schedules 6 – 10.

Revenues between 2010 and 2013 ranged from $67.5 million to $75.8 million. Revenues in fiscal 2014 were budgeted to be approximately $76.3 million.

We note that the fluctuation in revenues reflects a mature and competitive industry where weather impacts the supply and demand for the Company's products and Dominion is a "price taker" in the market place dictated in the main by larger economic forces. These factors have played a role in fluctuations in the financial results of each of the Company's business units in the last number of years.

The gross margins earned by the Company are impacted by market pricing, customer demand and its ability to push a portion of the cost increases through to its customers. Gross margins have been fairly stable in recent years with annual gross margins in fiscal 2012 and 2013 being 19.2% and 19.0%, respectively. The gross margin in the first quarter of fiscal 2014 was 18.9% and the 2014 gross margin has been forecast in the annual budget at approximately 18.8%. Gross margins have increased slightly from 2010 and 2011 levels due to Management efforts to "buy smarter" by negotiating better pricing and purchasing from closer suppliers in order to reduce transportation costs.

Operating costs have ranged from 16.5% to 19.7% of sales in fiscal years 2010 – 2013. Operating costs have been forecast to be 16.6% of sales in fiscal 2014. Management made significant efforts to reduce indirect costs and overhead costs in fiscal 2012 and 2013, resulting in lower operating costs, particularly in the general and administrative category.

Operating profit before legacy costs ranged from (1.5%) to 1.9% of revenues in fiscal years 2010 – 2013. Operating profit before legacy costs has been forecast to be approximately 2.2% in fiscal 2014. Legacy costs include non-recurring and non-operating expenses such as costs relating to litigation proceedings, items related to dealing with the Company's preference shares and participating notes and IFRS conversion.

Depreciation during the 2010 – 2013 fiscal years ranged from $478,000 to $503,000. Depreciation in fiscal 2014 was forecast at approximately $530,000.

EBITDA ranged from (0.8%) to 2.6% of revenues in fiscal years 2010 – 2013. EBITDA has been forecast to be approximately 2.9% in fiscal 2014.

Long-Term Projections

Management does not prepare long-term projections beyond the next fiscal year. However, Management did provide us with their view with regards to a number of financial operating metrics which we used to develop our own future projections.

BASIS OF VALUATION - VALUATION APPROACH AND TECHNIQUES

Companies can be valued using either liquidation or going concerns approaches:

Liquidation Approaches

Liquidation approaches such as the orderly liquidation approach and the forced liquidation approach are generally used when the subject company is not profitable and is unlikely to return to profitability, or when the return on assets generated by the subject company is lower than could be obtained on the net cash proceeds from liquidation.

Going Concern Approaches

Going concern approaches are used in cases where a company's operations are deemed to be viable and the company is earning an adequate rate of return on its assets. Going concern approaches can be broken down into:

- Asset approaches
- Income approaches
- Market approaches

<u>Asset based approaches</u>

Asset based approaches are used to value going concern enterprises in cases where the value of a business is derived primarily from the values of the underlying assets (such as in the case of a holding company or a real estate investment company) or in cases where one believes the subject company to be a going concern, but there are no historical earnings, EBITDA or cash flows to be capitalized under the income approach.

The adjusted net book value approach is an example of an asset based approach. The adjusted net book value approach involves adjusting the book values of the subject company's assets and liabilities to reflect their current fair market values (which take into consideration all realization costs such as sales commissions and any relevant taxes on disposition). In applying the adjusted book value approach goodwill and the intangible assets carried on the company's balance sheet are generally eliminated, unless the values of these intangible assets can be reasonably determined.

Income based approaches

Underlying the income based approaches is the premise that the value of a company is tied to its ability to generate future income. Examples of income based approaches include capitalization of EBITDA, capitalization of revenues and the discounted cash flow, each of which is appropriate in its own special circumstances.

The discounted cash flow methodology involves estimating future discretionary cash flows on a year by year basis and discounting the cash flow estimates to a present value using an appropriate discount rate that reflects the risk of achieving the forecast results. This technique is useful where cash flows are not expected to be consistent and stable from year to year, such as in the case of an early stage / high growth business.

More specifically, the discounted cash flow methodology is comprised of the following steps:

- Forecasting the discrete cash flows for a number of years;
- Discounting the discrete cash flows to the present using a discount rate that considers the risk associated with achieving the cash flows;
- Calculating a residual value for the business by forecasting the terminal period cash flows and estimating the terminal growth rate into perpetuity;
- Combining the present value of the residual value and the present value of the discrete cash flows to determine the discounted cash flow value;
- Adding the value of any assets redundant to operations to derive the Enterprise Value; and
- Deducting interest bearing debt to arrive at the implied Equity Value for the subject company.

The capitalized EBITDA methodology involves multiplying normalized EBITDA from operations by a multiple, arrived at as the inverse of a capitalization rate reflecting the risk associated with achieving that EBITDA compared to alternative investments readily available in the marketplace and adding back any redundant assets. The capitalization of EBITDA methodology is a variation of the capitalization of earnings methodology. This technique eliminates the subjectivity that necessarily occurs when assessing the financial structure of a business concern as a

component of going concern value. By calculating the enterprise value and subtracting existing interest-bearing debt, the subjective decision relative to the degree of “normal” or “optimal” financing is removed. Utilizing an EBITDA approach also eliminates reliance on accounting depreciation as an indicator of future sustaining capital expenditure requirements.

Market based approaches

Underlying the market based approaches to value is the premise that similar businesses have similar underlying economics, and it is therefore possible to determine the value of a business based on financial or operating metrics of other similar companies. Examples of market based approaches include the comparable company transaction method and the comparable publicly traded company method. In either case, the subject company is valued based on financial / operating metrics of other companies deemed to be most comparable to it.

SELECTED VALUATION METHODOLOGIES

Dominion

We have valued Dominion as a going concern, as the consolidated operations of the Company have historically been profitable and are expected to continue to be profitable in the future.

We have selected the discounted cash flow methodology to value the Company for the following reasons:

- Given the efforts made to restructure the business over the last number of years, historical performance is not necessarily indicative of future operating results; and
- Management was able to provide us with their assumptions regarding Dominion's long-term operating results with which to form the basis of a projection.

We also valued the Company under a "Sum of the Parts" approach, i.e. summing the values of the respective business segments. In employing the "Sum of the Parts" approach we have utilized the capitalized EBITDA methodology and the adjusted net book value methodology to value each of the underlying business segments. In essence, the Sum of the Parts approach values each of the business segments on a standalone basis, assuming existing business relationships (customers, suppliers, management)) remain in place. In this report, the Sum of the Parts methodology is then compared with the Discounted Cash Flow methodology to determine the highest and best value.

Dominion Farm

Dominion Farm is profitable and is expected to be profitable in the future. Accordingly, we have valued the business segment as a going concern.

As the business segment's historical EBITDA has been fairly consistent over the last four fiscal years, we have valued Dominion Farm using the capitalized EBITDA methodology.

VALUATION OF DOMINION CITRUS LIMITED

Discounted Cash Flow

The following provides a brief description of the application of the discounted cash flow methodology as detailed in Schedule 2:

Forecast

Management's fiscal 2014 budget along with projected revenue growth and financial operating assumptions were used to develop a multi-year projection that served as a basis for our discounted cash flow analysis.

We discussed with Management the process undertaken to create the 2014 forecast as well as their major assumptions underlying the 2014 forecast and projected results beyond 2014. Based on our discussions with Management and our review of the historical and year-to-date 2014 results, we believe that Management's projections are not unreasonable, though dependent on numerous factors outside their direct control.

The major assumptions impacting the projections beyond the current fiscal year include the following:

- A moderate 2.5% annual revenue growth rate; and
- A 2.7% annual EBITDA margin, lower than the 2.9% anticipated for the 2014 budget, but greater than the EBITDA margins achieved in the last several years.

Free Cash Flow Determination

In estimating Dominion's free cash flow we used the projected EBITDA based on Management's assumptions and made the following adjustments:

- Depreciation of $500,000 was deducted to arrive at the unlevered pre-tax income. The annual depreciation was estimated based on the average annual depreciation recorded in the last four fiscal years;
- Taxes on the pre-tax income were calculated by taking into consideration the prevailing tax rate (26.5%) and the Company's existing balance of net operating losses for tax

purposes as at the Valuation Date of approximately $4.4 million being the average of the opening balances recognized by CRA and Dominion;

- Depreciation and capital expenditures were then added back to the after-tax income. Annual capital expenditures were estimated at $450,000 based on the average annual capital expenditures incurred in the last four fiscal years and Management's budgeted capital expenditures for fiscal 2014. In the terminal period depreciation was assumed to be equal to capital expenditures in the same year;

- Incremental working capital requirements were calculated as approximately 1% of revenues based on actual working capital balances at the end of each of the last four fiscal years as well as industry benchmark data for the "Fresh Fruit and Vegetable Merchant Wholesalers" industry;

Discount Rate Selection

The discrete cash flows were then discounted back to the Valuation Date using discount rates reflective of the risk associated with the cash flows. In particular, in determining the appropriate discount rate to use in valuing Dominion we considered the following:

- Dominion is active in a stable and mature industry;

- Management has made significant improvements to operations in the last number of years;

- The Company maintains a diverse customer and supplier base;

- The Company has generated low operating profit in recent years and has significant negative retained earnings;

- The Company is subject to operating and financial fluctuations stemming from the impact of extreme climate conditions;

- The Company is subject to commodity pricing (produce, transport) and foreign currency fluctuations;

- The Company's significant tangible asset backing and implied goodwill when taking into consideration the expected market value of lease for the stalls at the OFT; and

- Other rates of return available in the marketplace.

  We concluded on a discount rate range of 13%-15% which we believe appropriately reflects the risk of achieving the cash flows projected in our analysis.

Terminal Value

- A terminal value was calculated based on a range of 8.0X – 9.5X the estimated cash flow in the terminal period, a 2.5% terminal growth rate and the selected discount rates.

  The terminal cash flow was estimated based on the cash flow in the last year of the discrete forecast (2016), less taxes at the prevailing rate of 26.5%.

- The terminal value was discounted to the Valuation Date and added to the present value of the discrete cash flow forecast to arrive at our estimate of the range of the operating enterprise value of Dominion of approximately $11.4 million to $13.3 million.

Enterprise Value

To the operating enterprise value we added the following redundant assets not required for ongoing operations to arrive at the enterprise value of Dominion:

- We have assumed that the Company's entire cash balance is redundant to operations and the Company could draw on a line of credit to finance its operations if required; and

- The range of potential after-tax outcomes from the ongoing litigation with a former employee of the Company, were added to the value of operations. This after-tax outcome was estimated to range from a $1.1 million liability to a $1.8 million asset.

Based on the above we estimate the enterprise value range for Dominion to be approximately $11.8 million to $16.5 million.

Equity Value

From the enterprise value we deducted interest bearing debt (capital leases, long-term debt and accrued interest) to arrive at the equity value of Dominion.

Based on the above we estimate the equity value range for Dominion to be approximately ($6.5) million to ($11.2) million.

Sum of the Parts Valuation

We have also viewed Dominion as a holding company and valued it based on the sum of the values of its individual segments.

We note that, based on discussions with Management and a review of the historical financial results of each of the business units, we believe that each of the units would be profitable, albeit only marginally so in certain circumstances, and accordingly the sum of the parts valuation reflects the value of each of the respective business units as a going concern.

We have used the capitalized EBITDA methodology to value each of the operating business units and then compared this to the adjusted net book value of each of the business units. The following provides a brief description of the application of the Sum of the Parts methodology as detailed in Schedule 3:

Capitalized EBITDA valuation of each of the business segments

The historical and budgeted operating results for each of the business segments can be found in Schedules 6 – 10. The capitalized EBITDA valuation of each of the business segments can be found in Schedules 6.1 – 10.1.

- Historical and budgeted operating results for each segment were normalized for non-recurring, discretionary and non-cash items as per discussions with Management.
- A range of normalized EBITDA was selected taking into consideration historical results, the forecast budget and the fact that the operations are mature and fluctuations are reflective of factors impacting supply and demand for produce on a regular basis such pricing variances and production variances due to climate conditions.
- In order to notionally value each of the business segments separately, we deducted from our selected range of normalized EBITDA additional overhead costs that would need to be incurred were the businesses to operate efficiently on a "stand-alone" basis. Such overhead costs include finance and IT staff, accounting and legal costs and senior sales functions. The adjustments, as detailed in the notes to Schedules 6.1 - 10.1 were determined based on discussions with Management. We understand that Bo Fruits currently operates on a "stand-alone" basis and accordingly no additional expenses were deducted from its normalized EBITDA.

- The selected maintainable EBITDA after deduction of corporate costs was multiplied by a EBITDA multiple reflective of the risk of achieving the maintainable EBITDA range. Our considerations in the selection of the EBITDA multiples have been detailed in the notes to Schedules 6.1 – 10.1.

- For the purposes of the individual segmented analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segments would be able to finance its operations through an operating line backed by accounts receivable and inventory. The existing cash and long-term debt balances (excluding capital leases) were taken into consideration, in their entirety, in the "corporate division". Accordingly, with the exception of those business units with capital leases directly associated with their operations, the equity value and enterprise value of the business units were identical.

Adjusted net book value of each of the business segments

The adjusted net book value of each of the business segments can be found in Schedules 6.2 – 10.2.

- With certain exceptions, the fair market values of the assets and liabilities of each of the business segments were assumed to be equal to their respective net book values.

- For the purposes of the individual segmented analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segments would be able to finance its operations through an operating line backed by accounts receivable and inventory. The existing cash and long-term debt balances (excluding capital leases) were taken into consideration, in their entirety, in the "corporate division". Accordingly, with the exception of those business units with capital leases directly associated with their operations, the equity value and enterprise value of the business units was identical.

Valuation conclusion for each of the business segments

For each of the business segments, we compared its Capitalized EBITDA value with its Adjusted Net Book value. We concluded that the Capitalized EBITDA value represented the highest value for Dominion Farm, Meschino Banana and Bo Fruits and the Adjusted Net Book value represented the highest value for the Ontario Food Terminal and Country Fresh.

Valuation of the corporate operations of Dominion

From the value of the individual business segments we deducted the negative value associated with maintaining the holding company structure required to oversee the various business segments.

- The negative value was calculated by capitalizing the after-tax costs associated with Dominion's corporate overhead. The corporate overhead was estimated based on discussions with Management and a detailed review of the corporate expenses of the last five fiscal years. In conducting our review we eliminated annual corporate expense incurred in connection with the Fund, non-recurring items such as IFRS transition costs and one-time legal costs associated with litigation, and non-cash items such as depreciation. We also reduced the annual salary costs by the amounts already allocated to the individual business segments so as to ensure we were not double counting these expenses.

  Based on our analysis the average adjusted corporate overhead ranged from approximately $900,000 to $1,000,000.

- We then tax-effected our average annual corporate overhead of $950,000 by the prevailing corporate tax rate of 26.5% and capitalized this after-tax figure sing a 13% - 15% as determined in our discounted cash flow analysis in Schedule 2.

Based on the above, we estimated the value the corporate operations of Dominion to be approximately ($6.7) million to ($5.6) million.

Valuation of the corporate assets & liabilities of Dominion

We reviewed the segmented balance sheet provided to us (Schedule 3) and added the value of the net corporate assets not allocated to / not required for the operations of the individual business segments, as follows:

- The trade working capital and fixed assets allocated to each of the business units was assumed to be required in order to achieve our estimated maintainable EBITDA and are therefore captured in the enterprise value of the respective business segments and not included as corporate assets.

- The trade working capital and fixed assets specific to the corporate division, along with the total cash, long-term debt and accrued interest balances of the Company were assumed to be equal to their respective net book values.

- Dominion's net operating losses for tax purposes were not allocated to individual business segments and were assumed to reside at the corporate level. These net operating losses were valued based on the expected tax loss utilization under the forecast contained in our discounted cash flow analysis (Schedule 2), assuming an opening net operating loss pool of approximately $4.4 million (the average of Management's and CRA's position) and a 14% discount rate.

- The exposure relating to the ongoing litigation with a former employee of the Company, was assumed to be an asset / liability associated with the corporate division. Per Schedule 2, the expected after-tax outcome estimated to range from a ($1.1) million to a $1.8 million.

Based on the above, we estimated the value the corporate net liabilities of Dominion to be approximately ($22.9) million to ($20.1) million.

Equity value of Dominion under the Sum of the Parts approach

Based on the above, we estimated the value the Dominion under the sum of the parts approach to be approximately ($14.2) million to ($8.7) million.

Dominion – Overall Value Conclusion

In accordance with the valuation principle of selecting the methodology that renders the highest price attainable, we believe that the value arrived at under the discounted cash flow methodology is reflective of fair market value of the equity of Dominion as at the Valuation Date.

We note that the equity value consists of the value of both the preferred and common equity accruing, respectively, to the preferred and common shareholders. Furthermore, and as discussed above in the assumptions section above, we have assumed that the long-term debt on the Company's balance sheet reflects a liability that has legal priority over amounts owed to the shareholders of the Company.

VALUATION OF THE DOMINION FARM BUSINESS SEGMENT

Per Schedule 7.1 under the Sum of the Parts approach we determined the value of Dominion Farm to range between $7.9 million and $8.7 million.

The value of the remaining business of Dominion, excluding Dominion Farm, was calculated using a Differential Discounted Cash Flow approach. Under this approach the discounted cash flow reflects only those cash flows expected to be lost to Dominion as a result of Dominion Farm no longer being part of Dominion. The present value of these cash flows was then deducted from the overall value of Dominion to determine the value of the residual business, assuming a notional disposition of Dominion.

The following provides a brief description of the application of the Differential Discounted Cash Flow methodology as detailed in Schedule 11:

Free Cash Flow Determination

- As with the discounted cash flow in Schedule 2, the long-term projections were based on a consistent growth rate following the current 2014 fiscal year.

- Differential revenues were calculated, as per the notes to Schedule 11, considering both the Dominion Farm revenue loss as well as the potential revenue loss to DCD stemming from the fact that as an arm's length party, Dominion Farm may no longer provide business to DCD.

  The impact on the future revenues attributable to Dominion were Dominion Farms to be sold to an arm's length party were calculated taking into consideration two scenarios. Under one scenario we assumed that distribution revenues of DCD from sale of product purchased from Dominion Farm would continue or could be replaced by other customers. Under a second scenario we assumed that, given the maturity of the industry, in order to recover these revenues the DCD would need to take business away from its competitors. In such a circumstance, were a loss of business to occur, that loss in business would not be recoverable. Given the uncertainty surrounding such an event, we have averaged the two scenarios in calculating the overall impact on the cash flows of Dominion.

- Operating profit on the lost Dominion Farm revenues was calculated based on the operating margin as forecast in the 2014 budget.

- Gross revenues on the lost DCD sales were calculated based on the gross margin as forecast in the 2014 budget. Operating cost savings stemming from the loss of DCD revenues were assumed to be negligible given that the expected loss to DCD under "non-recoverable" scenario represents less than 10% of DCD's annual business.

- Depreciation and capital expenditure estimates have been adjusted to reflect the depreciation and capital expenditures forecast for Dominion Farm in the 2014 budget.

Discount Rate Selection

The differential cash flows were then discounted back to the Valuation Date using the 13% - 15% discount rate range determined to be reflective of the risk associated with the cash flows of Dominion.

Terminal Value

The terminal value was calculated based on a range of 8.0X – 9.5X the estimated cash flow in the terminal period, a 2.5% terminal growth rate and the selected discount rates.

Differential Enterprise Value

The terminal value was discounted to the Valuation Date and added to the present value of the differential discrete cash flow forecast to arrive at our estimate of the range of the present value of the differential cash flow available to Dominion were the Dominion Farm no longer part of the business. The resulting range was approximately ($8.6) million to ($10.3) million.

Enterprise Value Excluding Dominion Farm

Deducting the differential enterprise value from the enterprise value of Dominion, as calculated in Schedule 2, we estimate the enterprise value range for Dominion, excluding Dominion Farm, to be in the range of $3.2 million to $6.2 million.

CONCLUSION

As per the attached report and schedules and subject to the assumptions, restrictions and scope of our work as set out herein, we estimate the fair market value of the equity of Dominion and Dominion Farm to be as follows:

Valuation of Dominion Citrus Limited En Bloc			
	Low	**Midpoint**	**High**
		Enterprise Value	
Discounted Cash Flow	11,789,866	14,156,111	16,522,356
Sum of Parts	5,120,765	7,876,015	10,631,265
		Equity Value	
Discounted Cash Flow	(11,202,603)	(8,836,358)	(6,470,113)
Sum of Parts	(14,226,151)	(11,470,901)	(8,715,651)

Enterprise Value of Dominion Citrus Limited Without Dominion Farm			
	Low	**Midpoint**	**High**
Value of Dominion Farm (Stand-alone basis)	7,860,000	8,300,000	8,740,000
Value of Dominion Citrus Limited En-Bloc	11,789,866	14,156,111	16,522,356
Loss of Value due to Dominion Farm Exclusion	(8,581,735)	(9,453,727)	(10,325,718)
Valuation of Dominion Citrus Limited Excluding Dominion Farm	3,208,131	4,702,385	6,196,638

Dominion Citrus Limited **Schedule 1**
Estimate of Value as at March 31, 2014
Summary of Values
$CDN

	Reference	Low	Midpoint	High
Valuation of Dominion Citrus Limited En Bloc				
			Enterprise Value	
Discounted Cash Flow	Schedule 2	11,789,866	14,156,111	16,522,356
Sum of Parts	Schedule 3	5,120,765	7,876,015	10,631,265
			Equity Value	
Discounted Cash Flow	Schedule 2	(11,202,603)	(8,836,358)	(6,470,113)
Sum of Parts	Schedule 3	(14,226,151)	(11,470,901)	(8,715,651)
Enterprise Value of Dominion Citrus Limited Without Dominion Farm				
Value of Dominion Farm (Stand-alone basis)	Schedule 7.1	7,860,000	8,300,000	8,740,000
Value of Dominion Citrus Limited En-Bloc	Schedule 2	11,789,866	14,156,111	16,522,356
Loss of Value due to Dominion Farm Exclusion	Schedule 11	(8,581,735)	(9,453,727)	(10,325,718)
Valuation of Dominion Citrus Limited Excluding Dominion Farm		3,208,131	4,702,385	6,196,638

Note:

The above determined equity value consists of both common and preferred shares. While we have not attempted to separate the equity value into these two components, we note that the fair market value of the preferred shares is likely not appropriately represented by its book value given the fact that interest is not being paid out to the preferred shareholders on an ongoing basis and the timing of the redemption of the shares remains in doubt.

Dominion Citrus Limited
Estimate of Value as at March 31, 2014
Going Concern Value - Discounted Cash Flow Methodology
$CDN

		Note / Reference	2012	2013	Q1 2014	LTM	2014	Q2-Q4 2014	2015	2016	2017	Residual Value
Revenue		Note 1	**71,124,000**	**75,035,052**	**20,415,682**	**74,999,711**	**76,327,688**	**55,912,006**	**78,235,880**	**80,191,777**	**82,196,571**	
									2.5%	*2.5%*	*2.5%*	*2.5%*
Normalized EBITDA		Note 1	**1,859,786**	**1,692,989**	**753,478**	**2,144,363**	**2,239,458**	**1,485,980**	**2,079,284**	**2,131,266**	**2,184,548**	**2,239,162**
- Margin - %			*2.6%*	*2.3%*	*3.7%*	*2.9%*	*2.9%*	*2.7%*	*2.7%*	*2.7%*	*2.7%*	*2.7%*
Less: Depreciation		Note 2			121,165		528,497	407,332	500,000	500,000	500,000	450,000
EBIT								**1,078,648**	**1,579,284**	**1,631,266**	**1,684,548**	**1,789,162**
Less: Income Taxes @	26.50%	Note 3						-	-	117,597	288,984	(474,128)
After-Tax Earnings								**1,078,648**	**1,579,284**	**1,748,863**	**1,973,532**	**1,315,034**
Add: Depreciation		Note 2						407,332	500,000	500,000	500,000	450,000
Less: Capital expenditures		Note 1						(400,600)	(450,000)	(450,000)	(450,000)	(450,000)
Less: Changes in non-cash working capital		Note 4						(90,094)	(24,833)	(25,453)	(26,090)	(26,742)
Free Cash Flow								**995,286**	**1,604,451**	**1,773,410**	**1,997,442**	**1,288,292**
Terminal growth	2.5%											
Residual Value - Low	8.00	Note 5										**10,306,334**
Residual Value - High	9.52	Note 5										**12,269,445**
Present value factor - Low	15.0%	Note 6						0.9487	0.8393	0.7298	0.6345	0.6345
Present value factor - High	13.0%	Note 6						0.9550	0.8580	0.7593	0.6718	0.6718
Present Value of Cash Flows - Low								944,239	1,346,624	1,294,289	1,267,405	6,539,510
Present Value of Cash Flows - High								950,501	1,376,565	1,346,483	1,341,884	8,242,624

	Note / Reference	Low	High
Sum of Present Value of Future Cash Flows		**11,392,067**	**13,258,057**
Cash & equivalents	Note 7	1,500,300	1,500,300
Lawsuit with former executive (after-tax amount)	Note 8	(1,102,500)	1,764,000
Enterprise Value		**11,789,866**	**16,522,356**
Capital Leases	Schedule 4	(41,791)	(41,791)
Capital Leases - Long-Term	Schedule 4	(125,962)	(125,962)
Long-Term Debt	Schedule 4	(19,346,716)	(19,346,716)
Accrued Interest on Long-Term Debt	Note 9	(3,478,000)	(3,478,000)
Equity Value		**(11,202,603)**	**(6,470,113)**

Notes

1. Based on Management's estimate. The forecast for the remaining nine months of 2014 reflect Management's forecast for the 2014 year less the actual results of the first quarter.
2. Depreciation has been forecast based on the average annual depreciation over the last number of fiscal years, as well as the depreciation estimated by Managemet in its fiscal 2014 forecast. We have assumed that depreciation in the terminal period will be equal to capital expenditures. We understand that depreciation for accounting purposes approximates CCA for tax purposes.
3. We understanding that the Company is in the midst of an appeal with the Canada Revenue Agency (CRA) which has proposed a negative adjustment to the Company's balance of net operating losses for tax purposes. It is the Company's position that its losses for tax purposes as at December 31, 2013 stood at approximately $5.48 million while CRA's position is that this balance stood at approximately $3.4 million. Based on discussions with Management it is our understanding that the outcome of this dispute is unclear at this time. We have calculated a tax continuity schedule under both scenarios assuming that the Company's net operating losses will be utilized over then next number of years during the discrete cash flow projection years, and have averaged the tax payable under the two scenarios.
4. Based on discussions with Management and a review of historical balances that indicated that trade working capital as a percentage of sales was only marginally greater than zero, we have estimated working capital based on the following assumptions:

Accounts receivable:	25 Days
Inventory:	7 Days
Accounts payable:	32 Days

In calculating the working capital balance change through December 31, 2014, we have used the following working capital balances as at the Valuation Date:

Accounts receivable:	5,326,638
Inventory:	1,613,990
Accounts payable*:	(6,037,417)
	903,211

*Excludes accrued payables relating to interest and legal settlement

5. Calculated based on the Gordon Growth Formula: 1/(Discount Rate - Terminal Growth Rate).
6. In selecting the discount rate range we considered the following factors, amongst others:
   - Dominion is active in a stable and mature business
   - Management has made signficant improvements to operations in the last number of years
   - Diverse customer and supplier base
   - Subject to operating and financial fluctuations stemming from the impact of extreme climate conditions
   - Subject to commodity pricing (produce, transport) and foreign currency fluctuations
   - Other rates of return avaiable in the market place
7. We have assumed that the entire cash balance is redundant to operations and the Company could draw on a line of credit to finance its operations if requied.
8. A former executive of the Company has commenced legal proceedings against Dominion claiming wrongful dismissal and the Company has counter-sued. We have valued this contingent liability / asset on an after tax basis, based on Management's estimate of the Company's exposure in connection with the action which is expected to range from a loss of $1.4 million to a gain of $2.5 million.
9. Based on discussions with Management it is our understanding that as at the Valuation Date the intercompany accounts on DCL's balance sheet included approximately $3.48 miilion in accrued interest relating to the notes held by Dominion Citrus Income Fund.

		Note / Reference	Book Values	Fair Market Value	
				Low	High
Value of Operating Businesses					
Dominion Citrus Distribution		Schedule 6.1		3,328,515	3,328,515
Dominion Farm		Schedule 7.1		7,860,000	8,740,000
Country Fresh		Schedule 8.1		656,479	656,479
Meschino Banana		Schedule 9.1		1,320,000	1,740,000
Bo Fruits		Schedule 10.1		2,200,000	2,480,000
Total Value of Business Units	**A**			**15,364,994**	**16,944,994**
Corporate Assets & Liabilities					
Cash		Schedule 4 / Notes 1, 2	1,500,300	1,500,300	1,500,300
Prepaids		Schedule 4 / Note 1	(22,933)	(22,933)	(22,933)
Fixed assets		Schedule 4 / Note 1	31,635	31,635	31,635
Accounts payable		Schedule 4 / Note 1	(933,782)	(933,782)	(933,782)
Preferred share interest payable		Schedule 4 / Note 1	(557,165)	(557,165)	(557,165)
Capital leases		Schedule 4 / Note 1	(200)	(200)	(200)
Long-term debt		Schedule 4 / Note 1	(19,346,716)	(19,346,716)	(19,346,716)
Accrued interest		Schedule 4 / Note 6	(3,478,000)	(3,478,000)	(3,478,000)
Net operating Losses		Schedule 4 / Notes 1, 3		968,216	968,216
Contingent Liability		Note 4		(1,102,500)	1,764,000
Total Corporate Assets - Net	**B**			**(22,941,145)**	**(20,074,645)**
Capitalized Value of Corporate Operations					
	C	Note 5		**(6,650,000)**	**(5,586,000)**
Adjusted Net Book Value	**A+B+C**			**(14,226,151)**	**(8,715,651)**

Notes

1. The book values of all assets and liabilities have been assumed to be represetantive of their respective fair market values, unless otherwise noted.

2. For the purposes of our analysis we have assumed that the entire cash amount on the Company's balance sheet as at the Valuation Date belonged to the corporate division, as each of the business segements would be able to finance its operations through an operating line backed by accounts receivable and inventory.

3. We have valued the Company's net operating losses based on their estimated utilization as detailed under the discounted cash flow methodology in Schedule 2. The value conclusion reflects an averaging of the present value of the tax benefits, in each year of realization, under the two net operating loss scenarios as described in the notes to Schedule 2.

4. A former executive of the Company has commenced legal proceedings against Dominion claiming wrongful dismissal. The Company has counter-sued. We have valued this contingent liability / asset on an after tax basis, based on Management's estimate of the Company's exposure in connection with the action which is expected to range from a loss of $1.4 million to a gain of $2.5 million.

5. The corporate overhead has been valued based on an annual expense level of approximately $0.95 million (as a privately held corporation) less taxes at a 26.5% tax rate. The after tax corporate expenditures have been capitalized using the Gordon Growth Model assuming a discount rate range of 13% - 15% and a long-term growth rate of 2.5%.

6. Based on discussions with Management it is our understanding that as at the Valuation Date the intercompany accounts on DCL's balance sheet included approximately $3.48 miilion in accrued interest relating to the notes held by Dominion Citrus Income Fund.

Dominion Citrus Limited **Schedule 4**
Estimate of Value as at March 31, 2014
Summary of Historical Financial Position as at March 31, 2014
$ CDN

	Dominion Citrus	Dominion Farm	Country Fresh	Meschino Banana	AVJC	Bo Fruits	Corporate	Delta	Eliminations & Adjustments	Consolidated DCL
Cash	1,219,492	-511,466	0	-209,499		140,332	-5,107		0	633,752
Accounts receivable	1,543,628	1,622,540	462,242	347,681		1,350,547	0		0	5,326,638
Inventory	373,091	713,988	96,472	119,916		310,523	0		0	1,613,990
Prepaid expenses	179,070	89,288	12,845	23,449		11,527	-22,933		0	293,246
Supplier advances	24,840	3,133	0	0		0	0		0	27,973
Current Assets	3,340,121	1,917,483	571,559	281,547	0	1,812,929	-28,040		0	7,895,599
Divisional Interco OFT/CORP/DF/CF	208,370	227,792	- 426,763	-	-	-	74	-	-9,473	-
Interco Bank	- 2,974,605	7,022,050	562,235	961,457	- 499,395	-	- 5,388,665	316,923	0	-
I/CO fUND	-	-	-	-	-	-	718,085	-	0	718,085
I/CO Fund - Accrued Interest owed to Fund							- 3,478,000	-	0	- 3,478,000
Advances to Apple Valley	-	-	-	-	-	-	-	-	0	-
Investment in Apple Valley	-	-	-	-	-	-	-	-	0	-
Investment in MB	-	-	-	-	-	-	-	-	0	-
Interco Corp	4,189	-	-	-	-	-	- 4,189	-	0	-
Interco MB	- 117	-	-	117	-	-	-	-	0	-
Interco Delta	-	-	-	-	-	-	-	-	0	-
Investment in Delta Foods	-	-	-	-	-	-	-	-	0	-
Investment in Bo Fruits	-	-	-	-	-	2,713,937	- 1,003,250	-	-1,710,687	-
Interco Natures Best	-	-	-	-	-	-	-	-	0	-
Investment in Natures Best	-	-	-	-	-	-	-	-	0	-
Fixed assets (Net)	299,215	1,269,918	147,613	254,576	-	999,810	31,635	-	-59,000	2,943,767
Goodwill	-	-	-	523,905	-	86,942	-	-	439,232	1,050,079
Other assets (Deferred Financing & Acq Costs)	-	-	-	-	-	-	-	-	0	-
Total Assets	**877,173**	**10,437,243**	**854,644**	**2,021,602**	**(499,395)**	**5,613,618**	**(9,152,350)**	**316,923**	**(1,339,928)**	**9,129,530**
Bank advances - Held cheques	- 688,942	-	0	-174,951	0	0	-2,655	0	0	- 866,548
Capital leases	-	10,796	0	30,795	0	0	200	0	0	41,791
Cheques in transit	688,942	0	0	174,951	0	0	2,655	0	0	866,548
Accounts payable & accrued liabilities	1,902,387	1,762,738	62,693	428,445	0	735,980	933,782	0	-655,156	5,170,869
Preferred share - Interest payable	0	0	0	0	0	0	557,165	0	0	557,165
Preference share liability	0	0	0	0	0	0	2,297,587	0	648,567	2,946,154
Current Liabilities	1,902,387	1,773,534	62,693	459,240	0	735,980	3,788,734	0	-6,589	8,715,979
Long-term debt	0	0	0	0	0	0	19,346,716	0	0	19,346,716
Capital leases - Long term	0	9,211	0	116,751	0	0	0	0	0	125,962
Total Liabilities	**1,902,387**	**1,782,745**	**62,693**	**575,991**	**0**	**735,980**	**23,135,450**	**0**	**-6,589**	**28,188,657**
Share capital	0	0	0	0	0	0	560,281	0	0	560,281
Contributed surplus	0	0	0	0	0	0	160,174	0	0	160,174
Retained earnings	-1,025,214	8,654,498	791,951	1,445,611	-499,395	4,877,638	-33,008,255	316,923	-1,333,339	- 19,779,582
Total Equity	**(1,025,214)**	**8,654,498**	**791,951**	**1,445,611**	**(499,395)**	**4,877,638**	**(32,287,800)**	**316,923**	**(1,333,339)**	**(19,059,127)**
Total Liabilities and Shareholders' Equity	**877,173**	**10,437,243**	**854,644**	**2,021,602**	**(499,395)**	**5,613,618**	**(9,152,350)**	**316,923**	**(1,339,928)**	**9,129,530**

Notes:

1. Based on Management's internally prepared consolidated financial statements for the period ended March 31, 2014.

Dominion Citrus Limited **Schedule 5**
Estimate of Value as at March 31, 2014
Consolidated Statement of Historical Operating Results
Years Ended / Ending December 31,
$CND

	Actual [1]					Forecast [3]
	2010	**2011**	**2012**	**2013**	**2014** [2]	**2014**
Total Revenue	**67,453,000**	**75,772,000**	**71,124,000**	**75,035,000**	**20,415,682**	**76,327,688**
Cost of Sales	55,138,000	61,866,000	57,476,000	60,761,000	16,561,973	61,951,543
Total Gross Profit	**12,315,000**	**13,906,000**	**13,648,000**	**14,274,000**	**3,853,709**	**14,376,145**
	18.3%	*18.4%*	*19.2%*	*19.0%*	*18.9%*	*18.8%*
Operating expenses						
Warehouse & Delivery	7,738,000	7,762,000	7,552,000	8,158,000	2,057,205	7,813,571
Selling	1,634,000	1,631,000	1,791,000	1,777,000	377,502	1,636,178
Import	-	-	-	-	29,006	-
General & Administrative	3,948,090	3,138,286	2,948,034	3,149,011	757,518	2,884,554
Incentive	-	-	-	-	-	330,880
Total Operating costs	13,320,090	12,531,286	12,291,034	13,084,011	3,221,231	12,665,184
Operating Profit Before Legacy Costs	(1,005,090)	1,374,714	1,356,966	1,189,989	632,478	1,710,961
Legacy Costs [4]	122,910	110,714	181,966	614,989	112,019	390,000
Operating Profit After Legacy Costs	(1,128,000)	1,264,000	1,175,000	575,000	520,459	1,320,961
Restructuring charges	132,000	1,193,000	27,000	13,000	-	-
Fixed asset (Gain)/Loss	1,000	39,000	11,000	4,000	519	-
Other income	-	(712,000)	(150,000)	(75,000)	-	-
FX Program (Gain) / Loss	20,000	(12,000)	15,000	-	(16,800)	-
Goodwill Impairment	-	900,000	-	-	-	-
Write-down of Deferred Tax Asset	-	2,244,000	-	-	-	-
Write-down of Property, Plant & Equipment	-	-	-	-	-	-
Earnings Before Interest & Taxes (EBIT)	**(1,281,000)**	**(2,388,000)**	**1,272,000**	**633,000**	**536,740**	**1,320,961**
Debenture Interest Expense						
Bank Account Interest Income	(4,000)	(1,000)	(3,000)	(3,000)	(945)	
Bank Interest & Service Charges	-	-	-	-	3,721	14,210
Preference Share Interest	-	-	-	-		117,752
Interest (Income) / Expense	1,477,000	1,582,000	1,393,000	1,135,000	55,669	1,000,702
Earnings Before Taxes (EBT) & Discontinued Operations	**(2,754,000)**	**(3,969,000)**	**(118,000)**	**(499,000)**	**478,295**	**188,297**
Income Tax Recovery / (Expense)	284,000	(87,000)	-	-		
Income / (Loss) from Discontinued Operations	(117,000)	(96,000)	(94,000)	8,000	8	
Net Income / (Loss)	**(2,587,000)**	**(4,152,000)**	**(212,000)**	**(491,000)**	**478,303**	**188,297**
Operating Profit Before Legacy Costs	(1,005,090)	1,374,714	1,356,966	1,189,989	632,478	1,710,961
Depreciation	490,000	478,000	502,820	503,000	121,000	528,497
Normalized EBITDA	**(515,090)**	**1,852,714**	**1,859,786**	**1,692,989**	**753,478**	**2,239,458**

Notes:

1. External audited financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's internal segmented financial statements for Q1 of fiscal 2014.
3. Based on Management's forecast for fiscal 2014.
4. Legacy costs include various legal expenses that are non-recurring in nature.

Dominion Citrus Limited **Schedule 6**
Dominion Citrus Distribution Business Unit
Summary of Historical and Forecast Operating Results
Years Ended / Ending December 31
$CND

	Actual [1]				Forecast [2]
	2010	**2011**	**2012**	**2013**	**2014**
Total Revenue	**30,019,460**	**35,454,159**	**36,204,077**	**35,511,039**	**36,287,857**
Cost of Sales	26,403,016	30,809,616	31,269,740	31,039,130	31,444,997
Total Gross Profit	**3,616,444**	**4,644,543**	**4,934,337**	**4,471,909**	**4,842,860**
	12.0%	*13.1%*	*13.6%*	*12.6%*	*13.3%*
Operating expenses					
Warehouse & Delivery	2,505,937	2,802,625	2,902,547	3,128,248	2,949,530
Selling	800,812	848,204	873,928	797,466	1,017,984
Import	169,133	119,685	167,278	154,579	-
General & Administrative	648,444	523,383	543,695	566,902	560,160
Fixed asset (Gain)/Loss	3,370	-	9,119	-	
Incentive	-	97,996	62,630	18,000	-
Total Operating Costs	4,127,696	4,391,893	4,559,197	4,665,195	4,527,675
Operating Profit	(511,252)	252,650	375,140	(193,286)	315,186
Restructuring charges	60,000	66,275		-	
Other income		(712,107)		261	
Earnings Before Taxes (EBT)	**(571,252)**	**898,482**	**375,140**	**(193,547)**	**315,186**

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.

Dominion Citrus Limited **Schedule 6.1**
Dominion Citrus Distribution Business Unit
Valuation - Capitalized EBITDA Methodology
$CND

	Notes	Actual [1]				Forecast [2]
		2010	2011	2012	2013	2014
Earnings Before Taxes (EBT)		**(571,252)**	**898,482**	**375,140**	**(193,547)**	**315,186**
Interest costs						
Earnings Before Interest & Taxes (EBIT)		**(571,252)**	**898,482**	**375,140**	**(193,547)**	**315,186**
Depreciation		148,902	84,026	66,241	15,232	75,134
EBITDA		**(422,350)**	**982,508**	**441,381**	**(178,315)**	**390,319**
Normalizations						
Related party amounts	Note 3					
Restructuring charges		60,000	66,275			
Other income			(712,107)			
Fixed asset (Gain)/Loss		3,370		9,119		
Other						
Adjusted EBITDA		**(358,980)**	**336,676**	**450,500**	**(178,315)**	**390,319**
Selected Maintainable EBITDA - Before Corporate Costs			**350,000**		**350,000**	
Additional corporate costs	Note 4		(70,800)		(70,800)	
Selected Maintainable EBITDA - Including Corporate Costs			**279,200**		**279,200**	
Multiple	Note 5		5.0		6.0	
Enterprise Value			1,396,000		1,675,200	
Enterprise Value - Rounded			1,400,000		1,680,000	

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
3. Based on Management's forecast for fiscal 2014.
4. Based on discussions with Management, we understand that all intercompany transactions are required for operation and are executed at market rates.
5. Additional corporate costs reflect additional costs, beyond those allocated by the corporate entity to its operating units, that would be required to run the business unit on a stand-alone basis (as a privately held company). We have based our analysis on a detailed review of the corporate costs in each of the last three fiscal years and the budget year, as well as discussions we held with Management to understand the available resources and deficiencies at the business unit level. The additional annual corporate costs estimated to be required for the Dominion Citrus Distribution business unit were calculated as 65% of the cost of the corporate IT manager, plus $5,000 for human resources related activities, $2,500 for legal costs and $10,000 for other general and administrative costs.
6. In selecting the multiple range we considered the following factors, amongst others:
   - DCD's business is stable but low growth
   - Recession resistant business
   - ODCD's strategic presence at the food terminal location
   - High tangible asset value (Including the stall lease agreement)
   - Strong customer and supplier relationships due to staff and presence at the food terminal

Dominion Citrus Limited **Schedule 6.2**
Dominion Citrus Distribution Business Unit
Tangible Asset Backing
$CND

	Notes			Financial Position 31-Mar-14
Cash	Note 1			-
Accounts receivable				1,543,628
Inventory				373,091
Prepaid expenses				179,070
Supplier advances				24,840
Current Assets				**2,120,629**
Fixed Assets (Net)				299,215
Total Assets				**2,419,844**
Accounts payable & accrued liabilities				2,591,329
Total Liabilities				**2,591,329**
Total Equity				**(171,485)**
Value of Stalls				3,500,000
Tangible Asset Backing				**3,328,515**
		Low	**High**	
Estimated Enterprise Value		**1,400,000**	**1,680,000**	
Less: Tangible Asset Backing		(3,328,515)	(3,328,515)	
Implied Goodwill		**(1,928,515)**	**(1,648,515)**	
Multiple of Maintainable EBITDA		(6.91)	(5.90)	

Notes:

1. For the purposes of our analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segements would be able to finance its operations through an operating line backed by accounts receivable and inventory.

Dominion Citrus Limited
Dominion Citrus Distribution Business Unit
Liquidation Valuation
$CND

		Notes		Book Values	Fair Market Value	
					Low	High
Cash		Note 1			-	-
A/R		Note 2	85%	1,543,628	1,312,084	1,312,084
Inventory		Note 2	50%	373,091	186,546	186,546
Prepaid				203,910	-	-
Stalls		Note 3, Note 4		-	3,500,000	3,500,000
Fixed assets		Note 2		299,215	299,215	299,215
Total Gross Proceeds	A			2,419,844	5,297,844	5,297,844
Transaction costs	B	Note 5	5%		(264,892)	(264,892)
Income on disposition					2,613,108	2,613,108
Taxes on disposition	C	Note 6	26.5%		(692,474)	(692,474)
Liabilities	D	Note 7		2,591,329	(2,591,329)	(2,591,329)
Net proceeds from sale of assets	A+B+C+D				**1,749,150**	**1,749,150**
Severance (after-tax amount)		Note 8	26.5%		(661,500)	(661,500)
Net Proceeds from Liquidation of the Dominion Citrus Distribution Business Unit					**1,087,650**	**1,087,650**
Impact on Dominion Farm and Meschino Banana		Note 9			(6,337,000)	-
Net impact of Liquidation of the Dominion Citrus Distribution Business Unit					**(5,249,350)**	**1,087,650**

Notes

1. For the purposes of our analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segements would be able to finance its operations through an operating line backed by accounts receivable and inventory.
2. In the sale of the assets of the business units to be liquidated we assumed the following recovery rates: Receivables - 85% of carrying value, Inventory - 50% of carrying value, Prepaids - 0%, Fixed assets - 100% of carrying value.
3. Reflects the rights associated with a long-term lease agreement granting the Company the right to occupy two stalls at the Terminal. We understand that transactions involving stalls at the Ontario Food Terminal are infrequent and accordingly have valued the stalls based on the most recent transaction involving publicly available information which saw Dominion sell the rights to a renewable 99 year lease on two stalls at the Terminal for $3.5 million in 2009.
4. Two saleable business units, Dominion Farms and Meschino Banana, benefit greatly from the sale of their products through the Terminal. Meschino Banana sells the majority of its products from the Terminal and Dominion Farms generates approximately 20% of its revenues from the sale of produce out of the Terminal. Based on discussions with Management, neither business would be financially viable if it did not have the ability to sell out of the Terminal. Accordingly, we have treated the stalls as saleable assets but accounted for the determintal impact on the business of other busines sunits in note nine below.
5. Transaction costs relating to both the sale of individual assets and business units have been estimated at 5% of market value.
6. We have assumed that no capital gains will be realized on the disposition of capital property and all proceeds of disposition will be taxed as income at the prevailing Ontario corporate tax rates.
7. Liabilities relating to the business unit have been assumed to be repaid in a liquidation scenario.
8. Severance for the business unit being liquidated has been calculated on an after-tax basis assuming an average of four months of severance on a gross payroll of $2.7 million.
9. We have incorporated the negative impact of the liquidation of the Dominion Citrus Distribution business unit on Dominion Farm and Meschino Banana on the low end of our value range as on the high end of our range we have assumed that the lost sales of these business units could be replaced in the marketplace at similar margins. The impact on the Meschino Banana and Dominion Farms at the low end of our value range has been calculated as follows:

	Dominion Farm	Meschino Banana	Total Impact
Lost Revenues	**$ 2,800,000**	**$ 4,000,000**	**$ 6,800,000**
Margin on Revenues (%)	29.0%	15.5%	21.1%
Lost Gross Margin	**$ 812,000**	**$ 620,000**	**$ 1,432,000**
Multiple	4.75	4.00	4.43
Lost Value	**$ 3,857,000**	**$ 2,480,000**	**$ 6,337,000**

Dominion Citrus Limited **Schedule 7**
Dominion Farm Business Unit
Summary of Historical and Forecast Operating Results
Years Ended / Ending December 31, (unless otherwise noted)
$CND

	Actual [1]				Forecast [2]
	2010	**2011**	**2012**	**2013**	**2014**
Total Revenue	**13,784,783**	**16,006,321**	**13,403,094**	**15,920,623**	**14,800,000**
Cost of Sales	10,308,311	11,875,881	9,547,614	11,343,345	10,627,000
Total Gross Profit	**3,476,472**	**4,130,440**	**3,855,480**	**4,577,278**	**4,173,000**
	25.2%	*25.8%*	*28.8%*	*28.8%*	*28.2%*
Operating expenses					
Warehouse & Delivery	1,511,688	1,666,311	1,656,325	1,901,916	1,850,536
Selling	26,553	51,404	76,661	103,415	134,680
Import	-	-	-	-	-
General & Administrative	428,547	502,936	507,511	520,229	526,259
Fixed asset (Gain)/Loss	(12,657)	35,180	3,231	4,331	-
Incentive	170,616	184,236	152,811	208,852	161,426
Operating Profit	**1,351,725**	**1,690,373**	**1,458,941**	**1,838,535**	**1,500,100**
Bank Interest & Service Charges	5,978	5,723	4,252	2,716	
Earnings Before Taxes (EBT)	**1,345,747**	**1,684,650**	**1,454,689**	**1,835,819**	**1,500,100**

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.

Dominion Citrus Limited **Schedule 7.1**
Dominion Farm Business Unit
Valuation - Capitalized EBITDA Methodology
$CND

	Notes	Actual [1]				Forecast [2]
		2010	**2011**	**2012**	**2013**	**2014**
Earnings Before Taxes (EBT)		**1,345,747**	**1,684,650**	**1,454,689**	**1,835,819**	**1,500,100**
Interest costs		5,978	5,723	4,252	2,716	-
Earnings Before Interest & Taxes (EBIT)		**1,351,725**	**1,690,373**	**1,458,941**	**1,838,535**	**1,500,100**
Depreciation		170,534	172,601	193,395	42,520	176,512
EBITDA		**1,522,259**	**1,862,974**	**1,652,336**	**1,881,055**	**1,676,612**
Normalizations						
Related party amounts	Note 3					
Fixed asset (Gain)/Loss		(12,657)	35,180	3,231	4,331	-
Other income						
Adjusted EBITDA		**1,509,602**	**1,898,154**	**1,655,567**	**1,885,386**	**1,676,612**
Selected Maintainable EBITDA - Before Corporate Costs			**1,800,000**		**1,800,000**	
Additional corporate costs	Note 4		(48,980)		(48,980)	
Selected Maintainable EBITDA - Including Corporate Costs			**1,751,020**		**1,751,020**	
Multiple	Note 5		4.5		5.0	
Enterprise Value			**7,879,590**		**8,755,100**	
Capital leases			(20,007)		(20,007)	
Equity Value			**7,859,583**		**8,735,093**	
Equity Value - Rounded			**7,860,000**		**8,740,000**	

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.
3. Based on discussions with Management, we understand that all intercompany transactions are required for operation and are executed at market rates.
4. Additional corporate costs reflect additional costs, beyond those allocated by the corporate entity to its operating units, that would be required to run the business unit on a stand-alone basis (as a privately held company). We have based our analysis on a detailed review of the corporate costs in each of the last three fiscal years and the budget year, as well as discussions we held with Management to understand the available resources and deficiencies at the business unit level. The additional annual corporate costs estimated to be required for the Dominion Farm business unit were calculated as 14% of the cost of the corporate IT manager, $20,000 to augment the financial capabilities of the unit by transforming the current financial position into a more senior role, plus $5,000 for human resources related activities, $2,500 for legal costs and $10,000 for other general and administrative costs.
5. In selecting the multiple range we considered the following factors, amongst others:
   - Strong and incentivized management
   - Dependency on the personal goodwill of Tony that may not be transferable
   - Good customer diversification while serving many national grocery chains
   - Recession resistant business (carrot and onion sales)
   - Strong supplier relationships with farms in the Holland Marsh area
   - Alternative supply sources with strong relationships with some international suppliers
   - Currently operating near capacity at a 32,000 square foot landlocked facility
   - Stable but highly competitive business, although some local competitors have recently exited the market

Dominion Citrus Limited **Schedule 7.2**
Dominion Farm Business Unit
Tangible Asset Backing
$CND

	Notes			Financial Position 31-Mar-14
Cash	Note 1			-
Accounts receivable				1,622,540
Inventory				713,988
Prepaid expenses				89,288
Supplier advances				3,133
Current Assets				**2,428,949**
Fixed Assets (Net)				2,130,749
Total Assets				**4,559,698**
Accounts payable & accrued liabilities				1,762,738
Capital leases				20,007
Total Liabilities				**1,782,745**
Total Equity				**2,776,953**
Tangible Asset Backing				**2,776,953**
		Low	High	
Estimated Enterprise Value		**7,860,000**	**8,740,000**	
Less: Tangible Asset Backing		(2,776,953)	(2,776,953)	
Implied Goodwill		**5,083,047**	**5,963,047**	
Multiple of Maintainable EBITDA		2.90	3.41	

Notes:

1. For the purposes of our analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segments would be able to finance its operations through an operating line back by accounts receivable and inventory.
2. Calculated as follows:

Value of machinery & equipment	521,752
Fair market value of land (as per PwC Appraisal)	840,000
Fair market value of building (as per PwC Appraisal)	1,610,000
Less: Tax Value of building	(748,168)
Less: Lost value of tax shield thereon	(92,835)
	2,130,749

Dominion Citrus Limited **Schedule 8**
Country Fresh Business Unit
Summary of Historical and Forecast Operating Results
Years Ended / Ending December 31, (unless otherwise noted)
$CND

	Actual [1]				Forecast [2]
	2010	**2011**	**2012**	**2013**	**2014**
Total Revenue	**5,002,556**	**2,783,341**	**2,337,661**	**3,524,253**	**3,409,248**
Cost of Sales	4,228,985	2,271,825	1,831,815	2,752,642	2,708,511
Total Gross Profit	**773,571**	**511,516**	**505,846**	**771,611**	**700,737**
	15%	*18%*	*22%*	*22%*	*21%*
Operating expenses					
Warehouse & Delivery	474,530	288,153	351,388	399,572	389,568
Selling	11,887	6,786	1,449	3,282	3,282
General & Administrative	371,882	204,791	214,483	211,324	211,144
Fixed asset (Gain)/Loss	-	3,467	(1,000)	-	
Incentive	-	4,600	6,980	6,000	
Total Operating costs	858,299	507,797	573,300	620,178	603,994
Operating Profit	(84,728)	3,719	(67,454)	151,433	96,743
Restructuring charges	274,033	110,227			
Fx Program Gain / (Loss)		(12,098)	15,223		
Earnings Before Taxes (EBT)	**(358,761)**	**(94,410)**	**(82,677)**	**151,433**	**96,743**

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.

Dominion Citrus Limited **Schedule 8.1**
Country Fresh Business Unit
Valuation - Capitalized EBITDA Methodology
$CND

	Notes	Actual [1]				Forecast [2]
		2010	2011	2012	2013	2014
Earnings Before Taxes (EBT)		**(358,761)**	**(94,410)**	**(82,677)**	**151,433**	**96,743**
Interest costs						
Earnings Before Interest & Taxes (EBIT)		**(358,761)**	**(94,410)**	**(82,677)**	**151,433**	**96,743**
Depreciation		85,183	82,969	114,364	115,639	94,172
EBITDA		**(273,578)**	**(11,441)**	**31,687**	**267,072**	**190,915**
Normalizations						
Related party amounts	Note 3					
Fixed asset (Gain)/Loss		-	3,467	(1,000)	-	-
Restructuring charges		274,033	110,227	-	-	-
Fx Program Gain / (Loss)		-	(12,098)	15,223	-	-
Other						
Adjusted EBITDA		**455**	**90,155**	**45,910**	**267,072**	**190,915**
Selected Maintainable EBITDA - Before Corporate Costs			**148,513**		**148,513**	
Additional corporate costs	Note 4		(119,060)		(119,060)	
Selected Maintainable EBITDA - Including Corporate Costs			**29,453**		**29,453**	
Multiple	Note 5		2.5		3.5	
Enterprise Value			**73,633**		**103,086**	
Enterprise Value - Rounded			**70,000**		**100,000**	

Notes:

1. Based on Management's internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.
3. Based on discussions with Management, we understand that all intercompany transactions are required for operation and are executed at market rates.
4. Additional corporate costs reflect additional costs, beyond those allocated by the corporate entity to its operating units, that would be required to run the business unit on a stand-alone basis (as a privately held company). We have based our analysis on a detailed review of the corporate costs in each of the last three fiscal years and the budget year, as well as discussions we held with Management to understand the available resources and deficiencies at the business unit level. The additional annual corporate costs estimated to be required for the Country Fresh business unit were calculated as 8% of the cost of the corporate IT manager, an additional senior salesperson for $75,000, $20,000 to augment the financial capabilities of the unit by transforming the current financial position into a more senior role, plus $5,000 for human resources related activities, $2,500 for legal costs and $10,000 for other general and administrative costs.
5. In selecting the multiple range we considered the following factors, amongst others:
   - Dependence on a few main lines of business (McDonalds tomatoes, Fisher Capespan, Moroccan program)
   - Low tangbile asset backing
   - Limited value addd - Storing, sorting and restacking
   - Not as dependent on OFT - Except for clementines, most business done out of Etobicoke facility
   - McDonalds business appears to be long-term and has some commercial goodwill
   - Low margin and a small critical mass
   - Growth constrained by the size of the facility (7,000 sqft). Difficult to contemplate expansion with only three customers and very seasonal business and capacity utilization

Dominion Citrus Limited **Schedule 8.2**
Country Fresh Business Unit
Tangible Asset Backing
$CND

	Notes			Financial Position 31-Mar-14
Cash	Note 1			-
Accounts receivable				462,242
Inventory				96,472
Prepaid expenses				12,845
Current Assets				**571,559**
Fixed Assets (Net)				147,613
Total Assets				**719,172**
Accounts payable & accrued liabilities				62,693
Total Liabilities				**62,693**
Total Equity				**656,479**
Tangible Asset Backing				**656,479**
		Low	High	
Estimated Enterprise Value		**70,000**	**100,000**	
Less: Tangible Asset Backing		(656,479)	(656,479)	
Implied Goodwill		**(586,479)**	**(556,479)**	
Multiple of Maintainable EBITDA		(19.91)	(18.89)	

Notes:

1. For the purposes of our analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segments would be able to finance its operations through an operating line back by accounts receivable and inventory.

Dominion Citrus Limited **Schedule 9**
Meschino Banana Business Unit
Summary of Historical and Forecast Operating Results
Years Ended / Ending December 31, (unless otherwise noted)
$CND

	Actual [1]				Forecast [2]
	2010	**2011**	**2012**	**2013**	**2014**
Total Revenue	**8,906,115**	**9,927,103**	**10,631,549**	**10,568,642**	**11,327,543**
Cost of Sales	7,216,650	8,177,759	8,928,703	8,941,624	9,530,549
Total Gross Profit	**1,689,465**	**1,749,344**	**1,702,846**	**1,627,018**	**1,796,994**
	19.0%	*17.6%*	*16.0%*	*15.4%*	*15.9%*
Operating expenses					
Warehouse & Delivery	1,125,037	1,163,589	1,163,609	1,211,374	1,272,000
Selling	3,670	4,298	9,471	7,016	12,000
Import	-	-	-	-	
General & Administrative	107,891	91,858	91,057	99,473	116,000
Fixed asset (Gain)/Loss	10,876	-	1,526	-	
Incentive	16,577	24,438	15,055	5,272	18,000
Total Operating Expenses	1,264,051	1,284,183	1,280,718	1,323,135	1,418,000
Operating Profit	**425,414**	**465,161**	**422,128**	**303,883**	**378,993**
Bank Account Interest Income	**(14)**	**2,671**			
Bank Interest & Service Charges			**3,874**	**11,092**	**9,000**
Earnings Before Taxes (EBT)	**425,428**	**462,490**	**418,254**	**292,791**	**369,993**

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.

Dominion Citrus Limited **Schedule 9.1**
Meschino Banana Business Unit
Valuation - Capitalized EBITDA Methodology
$CND

	Notes	Actual [1]				Forecast [2]
		2010	**2011**	**2012**	**2013**	**2014**
Earnings Before Taxes (EBT)		**425,428**	**462,490**	**418,254**	**292,791**	**369,993**
Interest costs		(14)	2,671	3,874	11,092	9,000
Earnings Before Interest & Taxes (EBIT)		**425,414**	**465,161**	**422,128**	**303,883**	**378,993**
Depreciation		24,274	48,533	43,999	13,776	46,266
EBITDA		**449,688**	**513,694**	**466,127**	**317,659**	**425,259**
Normalizations						
Related party amounts	Note 4					
Fixed asset (Gain)/Loss		10,876	-	1,526	-	-
Other						
Adjusted EBITDA		**460,564**	**513,694**	**467,653**	**317,659**	**425,259**
Selected Maintainable EBITDA - Before Corporate Costs			**436,966**		**436,966**	
Additional corporate costs	Note 5		(17,500)		(17,500)	
Selected Maintainable EBITDA - Including Corporate Costs			**419,466**		**419,466**	
Multiple	Note 6		3.5		4.5	
Enterprise Value			**1,468,130**		**1,887,596**	
Capital leases			(147,546)		(147,546)	
Equity Value			**1,320,584**		**1,740,050**	
Equity Value - Rounded			**1,320,000**		**1,740,000**	

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.
3. Based on discussions with Management, we understand that all intercompany transactions are required for operation and are executed at market rates.
4. Additional corporate costs reflect additional costs, beyond those allocated by the corporate entity to its operating units, that would be required to run the business unit on a stand-alone basis (as a privately held company). We have based our analysis on a detailed review of the corporate costs in each of the last three fiscal years and the budget year as well as discussions we held with Management to understand the available resources and deficiencies at each business unit. The additional annual corporate costs estimated to be required for the Meschino Banana business unit were calculated as 8% of the cost of the corporate IT manager, plus $5,000 for human resources related activities, $2,500 for legal costs and $10,000 for other general and administrative costs.
5. In selecting the multiple range we considered the following factors, amongst others:
   - 65% of sales are banana related
   - Not unionized
   - Some dependency on OFT for storefront (pallets within the stalls)
   - Competitive business
   - Strong player in the market place. Ripening function requires skill
   - some capacity constraints. 8,000 sqft facility with eight ripening rooms

Dominion Citrus Limited **Schedule 9.2**
Meschino Banana Business Unit
Tangible Asset Backing
$CND

	Notes	Financial Position 31-Mar-14
Cash	Note 1	-
Accounts receivable		347,681
Inventory		119,916
Prepaid expenses		23,449
Current Assets		**491,046**
Fixed Assets (Net)		254,576
Goodwill		523,905
Total Assets		**1,269,527**
Accounts payable & accrued liabilities		603,396
Capital leases		147,546
Total Liabilities		**750,942**
Total Equity		**518,585**
Total Equity		**518,585**
Less: Goodwill		(523,905)
Tangible Asset Backing		**-5,320**

	Low	High
Estimated Enterprise Value	**1,320,000**	**1,740,000**
Less: Tangible Asset Backing	5,320	5,320
Implied Goodwill	**1,325,320**	**1,745,320**
Multiple of Maintainable EBITDA	3.16	4.16

Notes:

1. For the purposes of our analysis we have assumed that all the cash on the Company's balance sheet as at the Valuation Date belonged to corporate division, as each of the business segments would be able to finance its operations through an operating line back by accounts receivable and inventory.

Dominion Citrus Limited **Schedule 10**
Bo Fruits Business Unit
Summary of Historical and Forecast Operating Results
Years Ended / Ending December 31, (unless otherwise noted)
$CND

	Actual [1]				Forecast [2]
	2010	**2011**	**2012**	**2013**	**2014**
Total Revenue	**12,997,797**	**15,010,980**	**11,673,736**	**12,329,295**	**13,752,937**
Cost of Sales	10,424,764	12,141,117	9,035,977	9,455,916	10,890,341
Total Gross Profit	**2,573,033**	**2,869,863**	**2,637,759**	**2,873,379**	**2,862,596**
Operating expenses					
Warehouse & Delivery	1,288,575	1,505,919	1,303,142	1,290,853	1,351,937
Selling	541,439	559,151	418,355	564,309	468,232
Import	-	-	-	-	
General & Administrative	342,462	355,742	348,848	327,677	349,477
Fixed asset (Gain)/Loss	-	-	(2,588)	-	
Incentive	90,457	115,253	136,391	151,922	151,454
Total Operating costs	2,262,933	2,536,065	2,204,148	2,334,761	2,321,100
Operating Profit	310,100	333,798	433,611	538,618	541,496
Restructuring charges		900,000			
Other income		(7,623)			
Earnings Before Interest & Taxes (EBIT)	**310,100**	**(558,579)**	**433,611**	**538,618**	**541,496**
Bank Interest & Service Charges	10,945	2,156	5,650	4,042	4,110
Earnings Before Taxes (EBT)	**299,155**	**(560,735)**	**427,961**	**534,576**	**537,386**

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.

Dominion Citrus Limited **Schedule 10.1**
Bo Fruits Business Unit
Valuation - Capitalized EBITDA Methodology
$CND

	Notes	Actual [1]				Forecast [2]
		2010	**2011**	**2012**	**2013**	**2014**
Earnings Before Taxes (EBT)		**299,155 -**	**560,735**	**427,961**	**534,576**	**537,386**
Interest costs		10,945	2,156	5,650	4,042	4,110
Earnings Before Interest & Taxes (EBIT)		**310,100 -**	**558,579**	**433,611**	**538,618**	**541,496**
Depreciation		60,216	77,922	69,668	17,448	56,314
EBITDA		**370,316 -**	**480,657**	**503,279**	**556,066**	**597,810**
Normalizations						
Related party amounts	Note 3					
Restructuring charges		-	900,000	-	-	-
Fixed asset (Gain)/Loss		-	-	(2,588)	-	-
Adjusted EBITDA		**370,316**	**419,343**	**500,691**	**556,066**	**597,810**
Selected Maintainable EBITDA - Before Corporate Costs			**550,000**		**550,000**	
Additional corporate costs	Note 4		-		-	
Selected Maintainable EBITDA - Including Corporate Costs			**550,000**		**550,000**	
Multiple	Note 5		4.0		4.5	
Enterprise Value			**2,200,000**		**2,475,000**	
Enterprise Value - Rounded			**2,200,000**		**2,480,000**	

Notes:

1. Based on Management's Internal financial statements for the fiscal years ended December 31, 2010 through December 31, 2013.
2. Based on Management's forecast for fiscal 2014.
3. Based on discussions with Management, we understand that all intercompany transactions are required for operation and are executed at market rates.
4. It is our understanding that Bo Fruits operates on its own and has all the staff and other resources required to run the business unit on a completely autonomous basis.
5. In selecting the multiple range we considered the following factors, amongst others:
   - Strong and incentivized management
   - Small critical mass
   - Niche position, selling to smaller retailers
   - Higher margins on small quantities of high quality produce
   - Strong tangible asset backing. Own facility and two trucks
   - Possible dependency on certain members of the management team

Dominion Citrus Limited | **Schedule 10.2**
Bo Fruits Business Unit
Tangible Asset Backing
$CND

	Notes			Financial Position 31-Mar-14
Cash	Note 1			-
Accounts receivable				1,350,547
Inventory				310,523
Prepaid expenses				11,527
Current Assets				**1,672,597**
Fixed Assets (Net)				999,810
Goodwill				86,942
Total Assets				**2,759,349**
Accounts payable & accrued liabilities				735,980
Total Liabilities				**735,980**
Total Equity				**2,023,369**
Total Equity				**2,023,369**
Less: Goodwill				(86,942)
Tangible Asset Backing				**1,936,427**
		Low	High	
Estimated Enterprise Value		**2,200,000**	**2,480,000**	
Less: Tangible Asset Backing		(1,936,427)	(1,936,427)	
Implied Goodwill		**263,573**	**543,573**	
Multiple of Maintainable EBITDA		0.48	0.99	

Notes:

1. For the purposes of our analysis we have assumed that all the cash the Company's balance sheet as at the Valuation Date belonged to corporate division as each of the business segments would be able to finance its operations through an operating line back by accounts receivable and inventory.

Dominion Citrus Limited
Estimate of Value as at March 31, 2014
Valuation of DCL Excluding Dominion Farm Business
Going Concern Value - Incremental Discounted Cash Flow Methodology
$CDN

		Note / Reference	Q1 2014	2014	Q2-Q4 2014	2015	2016	2017	Residual Value
Revenue		Note 2	**(5,156,912)**	**(13,175,051)**	**(8,018,140)**	**(13,504,427)**	**(13,842,038)**	**(14,188,089)**	
						2.5%	*2.5%*	*2.5%*	*2.5%*
Normalized EBITDA		Notes 2,3	**(816,112)**	**(1,858,253)**	**(1,042,141)**	**(1,904,710)**	**(1,952,328)**	**(2,001,136)**	**(2,051,164)**
Less: Depreciation		Note 4	(42,240)	(176,512)	(134,272)	(200,000)	(250,000)	(300,000)	(350,000)
EBIT					**(907,869)**	**(1,704,710)**	**(1,702,328)**	**(1,701,136)**	**(1,701,164)**
Less: Income Taxes @	26.50%	Note 5			240,585	451,748	451,117	450,801	450,809
After-Tax Earnings					**(667,284)**	**(1,252,962)**	**(1,251,211)**	**(1,250,335)**	**(1,250,356)**
Add: Depreciation		Note 4			(134,272)	(200,000)	(250,000)	(300,000)	(350,000)
Less: Capital expenditures		Note 6	20,000	350,000	330,000	350,000	350,000	350,000	350,000
Less: Changes in non-cash working capital		Note 7			745,246	4,286	4,394	4,503	4,616
Free Cash Flow					**273,690**	**(1,098,675)**	**(1,146,817)**	**(1,195,831)**	**(1,245,740)**
Terminal growth	2.5%								
Residual Value - Low	8.00	Note 7							**(9,965,917)**
Residual Value - High	9.52	Note 7							**(11,864,187)**
Present value factor - Low	15.0%	Note 8			0.9487	0.8393	0.7298	0.6345	0.6345
Present value factor - High	13.0%	Note 8			0.9550	0.8580	0.7593	0.6718	0.6718
Present Value of Cash Flows - Low					259,653	(922,124)	(836,982)	(758,771)	(6,323,511)
Present Value of Cash Flows - High					261,375	(942,626)	(870,735)	(803,361)	(7,970,372)
						Low		**High**	
Sum of Present Value of Future Lost Cash Flows						**(8,581,735)**		**(10,325,718)**	

Notes

1. The impact on the future cash flows attributable to DCL were Dominion Farms to be sold to an arm's length party were calculated taking into consideration two scenarios. Under one scenario we assumed that distribution revenues of DCD from sale of product purchased from Dominion Farm would continue or could be replaced by other customers. Under a second scenario we assumed that given the maturity of the industry and that in order to recover these revenues DCD would need to take business away from its competitors, were a loss of business to occur, the loss in business would not be recoverable. Given the uncertainty surrounding such an event We have averaged out the two scenario in calculating the overall impact on the cash flows of DCL.

2. The impact on the overall EBITDA of DCL has been calculated as follows:

		2014 Budget	Q1 Actual
DF	Sales	11,550,102	4,816,321
	COGS	7,377,145	3,317,662
	Margin - $	**4,172,957**	**1,498,659**
	Margin - %	***36.1%***	***31.1%***

		2014 Budget	Q1 Actual
DCD	Sales	36,127,340	9,936,449
	COGS	32,088,912	8,886,411
	Margin - $	**4,038,428**	**1,050,038**
	Margin - %	***11.2%***	***10.6%***

	2011	2012	2013	Avg	2014 Budget
DF Sales to DCD - Last 3 Years:	3,471,679	2,832,333	3,187,378	3,163,797	3,249,898

		2014 Budget	Q1 Actual	Q2 - Q4 Estimate
DCD Sales to Dominion Farm Replaced:				
	Dominion Farm Operating Profit	(1,500,100)	(735,800)	(764,300)
	Dominion Farm Depreciation	(176,512)	(42,240)	(134,272)
	Dominion Farm EBITDA Loss	**(1,676,612)**	**(778,040)**	**(898,572)**
DCD Sales to Dominion Farm Not Replaced:				
	Operating Profit	(1,500,100)	(735,800)	(764,300)
	Dominion Farm Depreciation	(176,512)	(42,240)	(134,272)
	Dominion Farm EBITDA Loss	(1,676,612)	(778,040)	(898,572)
Loss of DCD Profit on DF Product (2014 Budget)	Loss of Sales (2014 Budget)	(3,249,898)	(681,181)	(2,568,717)
	Margin Loss - %*	11.2%	11.2%	11.2%
	Margin Loss - $	(363,284)	(76,145)	(287,139)
	Add: Reduction in Fixed Overhead**	-	-	-
	OFT EBITDA Loss	(363,284)	(76,145)	(287,139)
	Total EBITDA Loss	**(2,039,895)**	**(854,185)**	**(1,185,711)**
AVERAGE EBITDA Loss:		**(1,858,253)**	**(816,112)**	**(1,042,141)**

*Excludes costs directly relating to the Moroccan program and F/X charges
** Assumed to be negligible given that the loss to the OTF represents less than 10% of its annual business.

3. As the 2014 EBITDA loss is assumed to reflect annual EBITDA losses going forward given that the 2014 budget for Dominion Farm approximates its long-term maintainable EBITDA potential the estimate for the 2014 sales to DCD approximate their three year historical average.

4. Depreciation in the terminal period is expected to equal the projected capital expenditures in the same period. Depreciation in years 2015 to 2017 is expected to increase gradually from current levels as forecast in the 2014 budget to the expected depreciation in the terminal period.

5. For simplicity, the lost EBIT has been assumed to be incremental to the baseline business and has therefore been taxed at the prevailing Ontario corporate tax rates without consideration of the impact of the lost EBIT on the timing of the utilization of the existing tax pools.

6. Capital expenditures reflect capital expenditures of Dominion Farm no longer expected to be incurred by the consolidated DCL. Capital expenditures have been forecast to remain consistent with the 2014 budgeted capital expenditure levels.

7. Changes in working capital requirements have been calculated using the methodology noted in Schedule 2 off an opening working capital balance for DCL excluding Dominion Farm of approximately $930,000 as at the Valuation Date.

8. Calculated based on the Gordon Growth Formula: 1/(Discount Rate - Terminal Growth Rate).

9. The rationale behind the discount rate selection was discussed in Schedule 1. The risk inherent in the lost cash lows, which reflect an average of two plausible scenarios is not dissimilar from the risk of the business as a whole as reflected in Schedule 1.