

Morris Group Granted an Extension of their CCAA Proceedings

SASKATOON, Saskatchewan, January 16, 2020 – 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc., and Morris Industries (USA) Inc. (collectively “Morris Group” or the “Companies”) announced that the Court of Queen’s Bench for Saskatchewan (the “Court”) granted an Order extending their stay of proceedings under the *Companies’ Creditors Arrangement Act* (the “CCAA”) to March 27, 2020 (the “Stay Extension”), enabling the Companies to continue with their efforts to restructure their business and financial affairs.

In addition to the Stay Extension, the Court approved the Companies’ request for the following (further detailed below):

- Implementation of a Sales and Investment Solicitation Process (“SISP”);
- Implementation of a Claims Process; and
- Debtor in Possession or interim financing (“Interim Financing”).

The Companies, with the support of the Monitor and their primary secured lenders, believe that a SISP which provides for the greatest flexibility in soliciting interest from various parties for (i) the sale or investment in the shares or assets of the Companies; (ii) a refinancing, reorganization, recapitalization, joint-venture, merger, or other business transaction involving the Companies, or (iii) some combination thereof, will provide the greatest opportunity for the Morris Group to complete their restructuring. A copy of the SISP and the Monitor’s commentary thereon can be accessed at www.alvarezandmarsal.com/morris (the “Case Website”).

The Companies, with the support of the Monitor, prepared a Claims Process to establish the amount of creditor claims against the Companies as at January 8, 2020 (the date of the Initial Order). All filed and admitted claims will be considered under a potential plan of compromise and/or arrangement (a “Plan”) which the Morris Group may present to its creditors and stakeholders. In accordance with the terms of the Claims Process, all claims must be filed with the Monitor on or before March 2, 2020 (the “Claims Bar Date”), or forever be extinguished. A copy of the Claims Process and procedures can be accessed on the Case Website.

The Companies have been able to secure Interim Financing from Bank of Montreal in the amount of \$5.7 million. Based on the Companies cash flow forecast for the period January 10, 2020 to April 10, 2020, the Interim Financing is anticipated to allow the Companies to continue operations in the ordinary course, and facilitate their restructuring activities during the forecast period. A copy of the Interim Financing terms and the Monitor’s commentary thereon can be accessed on the Case Website.

The Monitor has advised the Court that the Companies were continuing to act in good faith and with due diligence, acknowledged that the Companies required additional time to implement their restructuring activities, and concluded that no creditor would be materially prejudiced by the Stay Extension. Accordingly, the Court granted the Companies request to extend the CCAA proceedings. The Companies believe that with the support from their secured lenders and additional time to implement their restructuring strategies, the Morris Group will be in the best position to restructure its affairs and formalize a Plan for consideration by their creditors.

About Morris Group

Morris Group's primary operating company, Morris Industries Ltd. ("MIL"), carries on business as a farm equipment manufacturer. MIL's diverse equipment line includes implements such as air carts, drills, seeders, packer harrow bars, and bale carriers, which it distributes through a network of dealers in Canada, the United States, Australia, and Eastern Europe.

On behalf of the Board
MORRIS GROUP
Kevin Adair
President and Chief Executive Officer

Website www.morris-industries.com

FORWARD-LOOKING STATEMENTS

Certain matters set forth in this news release, including statements with respect to the CCAA proceedings, the operations of the Companies, liquidity, and the ability of the Companies to meet its obligations are forward looking. These forward-looking statements reflect management's current views and are based on certain assumptions including assumptions as to future operating conditions and courses of action, economic conditions, and other factors management believes are appropriate. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in these statements. All forward-looking statements are made as of the date of this release, and the Companies do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by law.