

C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
COURT. No.: 500-11-041305-117

S U P E R I O R C O U R T
Commercial Division

**IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF: 1810040 ALBERTA LTD.** (formerly known as
**HOMBURG INVEST INC. and HOMBURG
SHARECO INC.)**

Debtor

- and -

**HOMCO REALTY FUND (61) LIMITED
PARTNERSHIP**

Mise en cause

- and -

DELOITTE RESTRUCTURING INC. (formerly
known as **SAMSON BÉLAIR/DELOITTE &
TOUCHE INC.**)

Monitor

**FIFTY-FOURTH REPORT TO THE COURT
SUBMITTED BY DELOITTE RESTRUCTURING INC.
IN ITS CAPACITY AS MONITOR**

(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)

INTRODUCTION

1. On September 9, 2011, 1810040 Alberta Ltd. (formerly known as Homburg Invest Inc. and Homburg Shareco Inc.) ("**HII**") and certain related entities (collectively, the "**Debtors**") filed and obtained protection from their respective creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Order rendered by the Superior Court of Québec (as amended and extended from time to time, the "**Initial Order**").
2. Pursuant to the Initial Order (as amended), the Stay was extended to numerous other debtors and partnerships. As of this date, only Homco 61 is left as an "Applicant Partnership" (together with HII, the "**HII Parties**").
3. Deloitte Restructuring Inc. (formerly known as Samson Bélaire/Deloitte & Touche Inc.) was appointed as monitor (the "**Monitor**") under the CCAA.

4. Pursuant to the Initial Order, an initial stay of proceedings (the "**Stay**") was granted until October 7, 2011 in favour of the HII Parties, which Stay has been extended from time to time by order of the Court. Most recently in February 2020, the Court extended the Stay up to and including June 30, 2020 (the "**Stay Period**").
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed fifty-three such Monitor's reports (as well as some supplemental reports) prior to this fifty-fourth report of the Monitor (the "**Fifty-Fourth Report**"). Copies of all of the Monitor's reports are available on the Monitor's website at www.insolvencies.deloitte.ca under the Homburg Invest Inc. link. The Monitor has also established a toll-free number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the HII Parties' restructuring under the CCAA.

PURPOSE OF THE FIFTY-FOURTH REPORT

6. This Fifty-Fourth Report is intended to provide an update on the progress of the HII Parties' restructuring process and related steps in connection with the execution of the HII/Shareco Plan and the Homco 61 Plan (collectively, the "**Plans**") and confirm the support of the Monitor to the Debtor's Application for an extension of the Stay Period dated June 22nd, 2020 (the "**Debtor's Application**"). This report also outlines the current and projected cash positions of the Debtor and the status of the orderly liquidation initiatives.
7. This Fifty-Fourth Report is structured, similarly to previous Monitor reports, as follows:
 - I- Updates on the Execution of the Plans and the Distributions;
 - II- Debtor's Cash Flows;
 - III- Activities of the Monitor;
 - IV- Extension of the Stay Period / Funding by Homco 123;
 - V- Position of the Various Cash Reserves; and,
 - VI- Conclusions and Recommendations.

TERMS OF REFERENCE

8. In preparing this Fifty-Fourth Report, the Monitor has relied upon unaudited financial information, the HII Parties' records, the amended motion for an Initial Order dated September 9, 2011, and all subsequent motions and applications filed with the Court and exhibits in support of same, its discussions with management of the HII Parties ("**Management**") and the HII Parties' and the Monitor's legal advisors. While the Monitor has analyzed the information, some in draft form, the Monitor has not performed an audit or otherwise verified such information. Forward-looking financial information included in this Fifty-Fourth Report is based on assumptions of Management regarding future events, and actual results achieved will vary from this information and such variations could be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Fifty-Fourth Report are as defined in the previous reports of the Monitor and the HII/Shareco Plan.

I. UPDATE ON THE EXECUTION OF THE PLANS AND THE DISTRIBUTIONS

10. On March 27, 2014, in conformity with the Plans, the Monitor issued certificates confirming that the Plan Implementation Date ("**PID**") took place from March 24, 2014 to March 27, 2014 and that the Homco 61 Plan Implementation Date occurred on

March 27, 2014. Since PID and in conformity with the Plans, the Monitor has proceeded to several distributions to the Affected Creditors and has continued to diligently monitor the execution of the Plans, with the objective to proceed with a last distribution to the Affected Creditors. As mentioned in previous reports, delays regarding the disposition of the last remaining non-core asset, namely a real estate property held by Homco 123 which realization proceeds are expected to be significant for HII (for the ultimate benefit of the Affected Creditor as they will form part of the final distribution), explain mainly why the final distribution and the closing of the file has been postponed from time to time.

DISTRIBUTIONS

11. Since PID, the Monitor proceeded with several distributions to the Affected Creditors and Homco 61 Affected Creditors under the respective Plans. Since the filing of the Fifty-Third Report on February 26, 2020, at the time of the request for the Thirty-Fourth Extension, the Monitor has not proceeded with any additional distributions to all Affected Creditors or all Homco 61 Affected Creditors.
12. For efficiency purposes and as explained in previous reports, it remains the intent of the Monitor, in consultation with the Liquidation Advisory Committee, that the next distribution of the proceeds from the Asset Realization Cash Pool, along with any of the remaining proceeds to be released from the Disputed Claims Reserve (once the Bond 6 HII Deficiency Claim is finally determined as explained below), the Litigation Reserve and the Directors' Charge reserve, will be the final distribution under the terms of the Plans. Since the Monitor already proceeded in the past with several distributions, the balance of cash still in control of the Monitor for future distribution to the Affected Creditors and the Homco 61 Affected Creditors remains minimal, on a per creditor basis, and this balance is still, as explained later in the Fifty-Fourth Report anticipated to be positively and materially impacted by the anticipated proceeds from Homco 123.

RESOLUTION OF DISPUTED CLAIMS

13. Since the Fifty-Third Report, the situation of the Disputed Claims has remained unchanged. Only one category of Disputed Claims remains outstanding, namely the claims of the Bond 6 Claim Holders (i.e. the Bond 6 HII Deficiency Claim that can only be determined at the time of the Final Distribution).

SALE PROCESS / REALIZATION OF NON-CORE ASSETS

14. Homco 123 holds the only property and outstanding asset to be sold, in order for the Monitor to proceed with the final distribution under the terms of the Plans.
15. Despite some issues with the tenants and the COVID-19 crisis, a closing of a transaction at a price that will generate substantial equity for HII (for the ultimate benefit of the Affected Creditors) continue to be expected.
16. A prospective buyer provided a letter of intent ("LOI") on or about May 14, 2020, which was accepted beginning of June 2020 by Homco 123. The prospective buyer, which was granted exclusivity, requested five weeks to perform its due diligence. The terms of the LOI contemplate a sale transaction generating substantial equity for HII.
17. The Monitor is informed that due diligence has since been ongoing, including namely with respect to a soil investigation for which the report is expected in the coming weeks, and that a draft purchase agreement has been prepared and is circulating. Based on

information currently available, it is anticipated that the closing of the transaction of Homco 123 property sale would take place by the end of August 2020.

18. While the sale process continues, all costs in connection with the Homco 123 property continue to be assumed by Homco 123 directly, with no property costs to be assumed by HII. As previously reported to the Court, Homco 123 continues to be a cash flow positive entity and its financial situation allows it to pay all costs relating to the Homco 123 property and to make the monthly instalment repayments owed to Propertize, in an approximate amount of 25K Euros (interest and capital), hence increasing the equity for the benefit of the Affected Creditors and Homco 61 Affected creditors, for each passing month.
19. In October 2018, Propertize agreed that 50% of the budgeted expenses related to the extension periods be funded by Homco 123's cash being the object of Propertize's security. The Monitor is informed that this commitment remains valid for the budgeted expenses related to the Thirty-Fifth Extension Period requested.

BANKRUPTCY AND WINDING-UP OF NON-CORE BUSINESS ENTITIES

20. For efficiency purposes, no other HII Group entities filed for bankruptcy since the last extension of the Stay Period. It was decided to postpone the bankruptcy filings as much as possible so that all remaining HII Group Entities where a filing is deemed required will, to the extent possible, proceed at the same time in the most efficient fashion. As of the date of this report, 8 Homcos (including Homco 123), meaning 16 entities including their respective general partners, remain to be wound up or filed into bankruptcy in order to finalize the execution of the Plans.

II. DEBTOR'S CASH FLOWS

21. The purpose of this section is as follows:
 - i. Provide budget-to-actual analysis highlights for the period from February 20, 2020 to June 12, 2020; and,
 - ii. Provide explanations or comments on the variances.

OVERVIEW

22. The following table provides an overview of the opening cash balances, the closing cash balances, and the cash variations of HII for the period from February 20, 2020 to June 12, 2020:

Cash variation for the period from February 20, 2020 to June 12, 2020 (C\$000)					
Petitioner	Opening cash balance	Total variance	Subtotal	FX Gain	Adjusted ending cash balance
1810040 Alberta Ltd.	972	(224)	748	33	781

For the budget to actual cash flow forecast analysis of HII, for the period from February 20, 2020 to June 12, 2020, and commentaries in respect of the analysis performed, please refer to Appendix A of this Fifty-Fourth Report.

23. As of the date of this report, all appropriate and approved post-filing expenses have been paid, and will continue to be paid, in the normal course, out of the Administrative Reserve and the funds received from Homco 123.

III. ACTIVITIES OF THE MONITOR

24. This section summarizes other activities of the Monitor which are not specifically addressed in the previous sections.

CASH FLOW MONITORING

25. On a regular basis, the Monitor has continued to analyze the Debtor's cash flows. As explained in the previous section of this Fifty-Fourth Report, a budget-to-actual cash flow analysis of the Debtor for the period from February 20, 2020 to June 12, 2020 has been prepared together with commentaries of cash variances, as presented in Appendix A of this Fifty-Fourth Report.
26. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the bank accounts of HII Group Entities which have been neither liquidated nor bankrupted. All disbursements for services rendered to the HII Parties have been presented to the Monitor for review.

NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR

27. The Monitor has continued to post on its website all public information and documentation related to the HII Parties' restructuring process.

COMMUNICATIONS WITH CREDITORS

28. Since September 2011, the Monitor has made available a toll-free number (related to a call centre) and a mailbox in order to assist its communications with Affected Creditors and Homco 61 Affected Creditors. The Monitor has responded and continues to respond to each query in a timely manner.

IV. EXTENSION OF THE STAY PERIOD / FUNDING BY HOMCO 123

OVERVIEW

29. Pursuant to the Thirty-Fourth Extension Order, the Stay Period was extended up to and including June 30, 2020.
30. The Debtor's Application is seeking a thirty-fifth extension of the Stay Period until November 30, 2020 (the "**Thirty-Fifth Extension Period**"). This extension will allow mainly for the following:
- i. Complete the realization of the remaining Non-Core Business Asset (namely the Homco 123 property) with the objective of generating a significant amount of equity to the Affected Creditors;
 - ii. Once the sale of Homco 123 is completed, and likely during the Thirty-Fifth Extension Period, proceed with the planning and the execution of the final distribution to the Affected Creditors and Homco 61 Affected Creditors pursuant to the Plans and complete all steps necessary in connection thereto, including the last bankruptcies to be filed; and

iii. Continue to keep creditors and other stakeholders informed and answer their queries.

31. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Thirty-Fifth Extension Period in order to allow the HII Parties and the Monitor to continue their progress towards finalizing the remaining steps provided in the Plans and exit the CCAA proceedings.

EXTENDED 5-MONTH CASH FLOW FORECASTS

32. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Thirty-Fifth Extension Period, adjusting the projected cash flows for an extended period ending on November 30, 2020.

33. The extended 5-month cash flow forecasts for HII as well as additional comments identifying the primary assumptions are attached as Appendix B.

34. Presented in the table below is a summary of the forecasted cash variations for HII

Extension - period ending November 30, 2020 (Appendix B)			
(C\$000)	Opening cash balance as of June 13, 2020	Forecasted cash variation for the period	Forecasted closing cash balance as at November 30, 2020
1810040 Alberta Ltd.	781 000	41 500	822 500

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.)

35. Payroll is expected to remain constant during the period to reflect the expected workload of the remaining employees paid based on hourly fees to keep accounting and tax records updated. The sole remaining director and officer of HII is paid on a fixed monthly fee (reduced since the beginning of 2019).

36. Rent expense is expected to be incurred during all the period, as the small office is required to support the remaining employees.

37. Professional fees are expected to remain nominal, except for the months of October and November 2020 in light namely of the work required to proceed with the final distribution and the bankruptcy filings of the remaining HII Group entities.

38. Office and administrative fees are expected to be at \$1K per month.

39. At the time of this Fifty-Fourth Report, there is nothing that would lead the Monitor to believe that HII will need additional financing to meet its current obligations during the Thirty-Fifth Extension Period. As indicated in previous reports and above, since October 2018, 50% of the budgeted expenses related to the extension periods are being funded by Homco 123's cash, with the consent of Propertize.

V. POSITION OF THE VARIOUS CASH RESERVES

40. The following table presents an overview of the current balances in the Cash Pool and the various Cash Reserve accounts, as of June 12, 2020, held by the Monitor pursuant to the HII/Shareco Plan:

Cash Reserves Accounts (C\$000)	
Trust Account	June 12, 2020
Cash Pool and Asset Realization Cash Pool	2 471
Administrative Reserve	8
Litigation Reserve	532
Disputed Claims Reserves	643
Directors' Charge Reserve	2 114

Cash Reserves Accounts (€000)	
Trust Account	June 12, 2020
Administrative Reserve	57

Note 1: This table excludes the equity anticipated to be generated by the Homco 123 property.

VI. CONCLUSIONS AND RECOMMENDATIONS

41. It is the Monitor's view that the HII Parties have acted in good faith and with due diligence in accordance with the CCAA and the Initial Order and the subsequent orders rendered by the Court.
42. It is the Monitor's opinion that, for the reasons further elaborated in this Fifty-Fourth Report, the Thirty-Fifth Extension, up to November 30, 2020, should be granted to the HII Parties in order to allow the Monitor and the HII Parties to pursue their efforts towards completing the remaining steps provided by the Plans, proceed with the final distribution and exit the CCAA proceedings.
43. The Monitor respectfully submits this Fifty-Fourth Report to the Court.

DATED AT MONTREAL, this 23rd day of June 2020.



Pierre Laporte, FCPA, FCA, CIRP, LIT
Senior Vice-President

DELOITTE RESTRUCTURING INC.
In its capacity as Court-Appointed Monitor

APPENDIX A

APPENDIX A

The following is the budget-to-actual cash flow analysis for 1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.) for the period noted:

1810040 Alberta Ltd.
Budget-to-Actual Cash Flow
Unaudited
(C\$000)

	For the 4-month period from		
	February 20, 2020 to June 12, 2020		
	Actual	Budget	Variance
Cash Inflows			
Other receipts	5	10	(5)
Total Cash inflows	5	10	(5)
Cash outflows			
Payroll	42	38	(4)
Rent expense	8	10	2
Professional fees	162	105	(57)
Office & administration	15	5	(10)
Others	2		(2)
Total cash outflows	229	158	(71)
Opening cash balance	972	972	-
Funding Homco 123	-	120	(120)
Variation in cash balance	(224)	(148)	(76)
FX Gain	33	-	
Ending cash balance	781	944	(196)

1810040 Alberta Ltd. budget-to-actual commentaries

The Monitor's comments on HII's total cash inflow and outflow variances during the period noted are as follows:

Ending cash balance

- No funding from the Administrative Reserve was required during the period from the Monitor's trust accounts. As outlined in previous reports, at PID all HII cash was transferred to trust accounts controlled by the Monitor and accordingly, HII now submits funding requests to the Monitor. These funding requests are reviewed by the Monitor and funds are then transferred to HII to allow for the payment of post-PID expenses.

- Since October 2018, Propertize agreed that the budgeted disbursements related to the period be 50% funded by Homco 123's cash (pledged in favour of Propertize). Therefore Homco 123 will transfer cash of \$120K in June 2020 to HII to cover its share of the disbursements related for the Thirty-Fourth Extension Period (\$64K) and for the Thirty-Third Extension (\$56K).

Inflows

- Other receipts were \$5K compared to a budgeted amount of \$10K, resulting in a favorable variance of \$5K. The unfavorable variance is mainly due to timing regarding refunds related to Stichting Homburg invoices.

Outflows

- Payroll was \$42K compared to a budgeted amount of \$38K, resulting in a unfavorable variance of \$4K. This unfavorable variance is mainly due to a higher workload than originally anticipated, mostly related to tax-related work.
- Restructuring related professional fees were \$162K compared to a budgeted amount of \$105K, resulting in a unfavorable variance of \$57K. This unfavorable variance is mainly due to timing, as a favorable balance of \$40K was presented in our previous report.
- Office & Administrative expenses were \$15K compared to a budgeted amount of \$5K, resulting in an unfavorable variance of \$10K. This unfavorable variance is mainly due to expenses related to certain shredding costs and work relating to winding down of the business in planning of the Final Distribution.
- In accordance with the Court Order dated February 17, 2012 and February 7, 2014, the payment of fees, disbursements and expenses of the Trustees of the Stichting Homburg Bonds and Stichting Homburg Capital Securities A (collectively, "**Stichting**") and their legal and financial advisors incurred since December 3, 2011 are to be advanced by HII (included in the professional fees). The following table presents a summary of the actual fees advanced to Stichting since the Court Order was implemented, which will be offset against any dividend payable to Stichting from HII (see table on next page):

Stichting Homburg invoice list		
Invoices	Date Range	Amount in \$ ('000')
Invoices 3 to 25	From Dec 5, 2011 to Dec 31, 2012	\$ 4 091
Invoices 26 to 49	Year 2013	\$ 4 511
Invoices 51 to 68	Year 2014	\$ 1 738
Invoices 69 to 80	year 2015	\$ 694
Invoices 81 to 92	Year 2016	\$ 349
Invoices 93 to 104	Year 2017	\$ 268
Invoices 105 to 116	Year 2018	\$ 151
Invoices 117 to 128	Year 2019	\$ 111
Invoices 129 to 133	From Jan. 1, 2020 to May 30, 2020	\$ 46
Various credit notes		\$ (100)
Total VAT refunds		\$ (1 414)
TOTAL		\$ 10 444

APPENDIX B

APPENDIX B
1810040 Alberta Ltd. - Extended 5 -month cash flow forecast (\$C)

Updated as of June 12, 2020

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)
 Extended cash flow statement from June 13, 2020 to November 20, 2020

	53th Report Amended		54th Report					
Beginning period: Ending period:	From June 13 to June 30	TOTAL	For the month of July	For the month of August	For the month of September	For the month of October	For the month of November	TOTAL 5-Month Period
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Cash inflows								
GST/HST/VAT received	-	-	5 000	-	5 000	-	5 000	15 000
Other receipts	-	-	-	-	-	-	-	-
Total cash inflows	-	-	5 000	-	5 000	-	5 000	15 000
Cash outflows								
Payroll	3 250	3 250	7 500	7 500	7 500	7 500	7 500	37 500
Rent expense	-	-	2 000	2 000	2 000	2 000	2 000	10 000
Restructuring related professional fees	2 500	2 500	5 000	5 000	5 000	40 000	50 000	105 000
Directors & Officers Insurance	-	-	-	-	-	-	-	-
Office & administrative	500	500	1 000	1 000	1 000	1 000	1 000	5 000
Other expenditures	-	-	-	-	-	-	-	-
Total cash outflows	6 250	6 250	15 500	15 500	15 500	50 500	60 500	157 500
Opening balance	781 000	781 000	893 750	888 500	880 750	875 500	850 250	893 750
Payments in transit	-	-	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(6 250)	(6 250)	(10 500)	(15 500)	(10 500)	(50 500)	(55 500)	(142 500)
Funding Homco 123 (50%)	-	-	5 250	7 750	5 250	25 250	27 750	71 250
Funding Homco 123 50 be received previous extensions	119 000	119 000	-	-	-	-	-	-
Adjusted ending cash balance	893 750	893 750	888 500	880 750	875 500	850 250	822 500	822 500

Notes:

- 1) The opening cash balance reflects the cash balance as at June 12, 2020.
- 2) Payroll is expected to remain at \$7.5K per month to reflect the expected workload and agreement at a reduced amount with the sole director (in place since the beginning of 2019).
- 3) Rent expense is expected to be incurred during all the period as the office is required to support the employees.
- 4) Budgeted amounts for professional fees reflects the reduced level of work expected during the first three months in light of the extension request and the expected workload increase in October and November 2020 in light namely of the work required in connection with the sale of the Homco 123 property, the final distribution, the bankruptcy filings and other items to exit the CCAA proceedings.
- 5) Office and administrative fees are expected to be at \$1K per month.

- 6) Extending the proceedings and the sale process of the Homco 123 property is partly to the benefit of Propertize, the secured lender of Homco 123, as it avoids taking possession and realizing the property and/or reduce the value of the same due to the uncertainty. The agreement with Propertize made in October 2018 providing that 50% of the budgeted disbursements are to be funded by Homco 123's cash (pledged in favor of Propertize) continues to be applicable for the Thirty-Fifth Extension.

NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT

NOTE A – PURPOSE AND WARNINGS

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

NOTE B – DEFINITIONS

CASH FLOW STATEMENT

A statement indicating, on a monthly basis, the projected cash flow of 1810040 Alberta Ltd., based on probable and hypothetical assumptions that reflect 1810040 Alberta Ltd.'s planned course of action for the period covered.

HYPOTHETICAL ASSUMPTIONS

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in 1810040 Alberta Ltd.'s judgment, but are consistent with the purpose of the Cash Flow Statement.

PROBABLE ASSUMPTIONS

Meaning assumptions that:

- (i) 1810040 Alberta Ltd.'s cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of 1810040 Alberta Ltd.; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

SUITABLY SUPPORTED

Meaning that the assumptions are based on either one or more of the following factors:

- (i) The past performance of 1810040 Alberta Ltd.;
- (ii) The performance of other industry/market participants engaged in similar activities as 1810040 Alberta Ltd.;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<u>Opening cash balance</u>	Based on allocated closing cash balances as at February 19, 2020	X	
<u>Exchange rates</u>	All cash flows are in Canadian dollars		X
<u>Forecast cash receipts</u>			
GST/HST/VAT received	No refunds are forecasted for the period	X	
Other receipts	No receipts are forecasted for the period	X	
<u>Forecast cash disbursements</u>			
Payroll	Based on updated salaries and payment of applicable severances	X	
Rent expense	Office space in Halifax	X	
Restructuring related professional fees	Represent fees of Deloitte, McCarthy Tétrault, Osler, Clifford Chance, Loyens & Loeff, Terrealis and others	X	
Director and Officers Insurance	No Directors and Officers insurance fees are forecasted for the period	X	
Office & administrative	Bank fees, travel, telephone, non-CCAA professional fees and other	X	

Assumptions	Source	Probable Assumption	Hypothetical Assumption
	miscellaneous costs		
Other expenditures	No disbursements are forecasted for the period	X	
<u>Ending cash balance</u>	Based on allocated cash transactions	X	