

District of: Alberta
Division No. 01 - Edmonton
Court No. 24-2582587
Estate No. 24-2582587

-- FORM 29 --
Trustee's Report on Cash-Flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the proposal of
MCG Restaurants Ltd.
of the City of Edmonton, in the Province of Alberta

The attached statement of projected cash flow of MCG Restaurants Ltd., as of the 22nd day of November 2019, consisting of monthly projections for the period of November 13, 2019 to February 18, 2020, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by: the management and employees of the insolvent person or the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by: management or the insolvent person for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

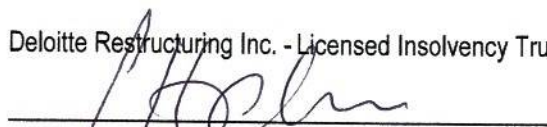
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Edmonton in the Province of Alberta, this 22nd day of November 2019.

Deloitte Restructuring Inc. - Licensed Insolvency Trustee


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FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the proposal of
MCG Restaurants Ltd.
of the City of Edmonton, in the Province of Alberta

Purpose:

This Statement of Projected Cash-Flow is prepared in accordance with Subsection 50.4(2) of the Bankruptcy and Insolvency Act.

Projection Notes:

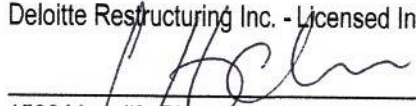
Sales at St. Albert location down 5% from same period last year
Sales at West Edmonton Mall location up 5% from same period last year
Sales at South Common location down 3% from same period last year
Sales at 170 Street and Kingsway locations remain at same levels as same period last year
Fixed costs do not increase by a material amount beyond management estimates
Variable costs and margins remain at same levels as previous year

Assumptions:

Creditors take no steps to terminate the stay of proceedings
The Company is able to fulfil the terms of its franchise agreement
The Company is supported by its critical vendors throughout the proposal proceedings

Dated at the City of Edmonton in the Province of Alberta, this 22nd day of November 2019.

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