Court File No. CV-24-00722386-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

(each an **"Applicant"** and collectively, the **"Applicants")**

FIRST REPORT OF THE MONITOR
DATED JUNE 27, 2024

INTRODUCTION

1. On June 20, 2024, the Applicants brought an application (the "**Initial Application**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") to, among other things, obtain a stay of proceedings to allow them an opportunity to restructure their business and affairs.

2. On that same day, the Court granted an Initial Order (the "**Initial Order**") in these CCAA proceedings (the "**CCAA Proceedings**") that, among other things:

    a. appointed Ernst & Young Inc. as monitor of the Applicants (in such capacity, the "**Monitor**");

    b. ordered a stay of proceedings in favour of the Applicants through to June 27, 2024 (the "**Stay Period**");

c. permitted the Applicants to permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $150,000 in the aggregate;

d. granted an administration charge over the assets of the Applicants in the maximum amount of $400,000 (the "**Administration Charge**") in favour of counsel for the Applicants, the Monitor and its counsel;

e. granted a directors' charge over the assets of the Applicants in favour of the directors and officers of the Applicants in the maximum amount of $500,000 ("**Directors' Charge**"); and

f. granted an intercompany charge in the maximum amount of $150,000 to secure amounts to the extent that any Applicant (the "**Intercompany Lender**"), after the date of the Initial Order, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, another Applicant (the "**Intercompany Debtor**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Intercompany Debtor).

g. the "**Comeback Motion**" is scheduled to be heard on June 27, 2024.

3. An introduction and timeline of events resulting in the within proceedings is set out at paragraphs 18-22 of the Proposed Monitor Report dated June 20, 2024 (the "**Proposed Monitor's Report**"). This First Report of the Monitor (the "**First Report**") is to be read in conjunction with the Proposed Monitor's Report.

4. As is described below, certain secured creditors have filed notices of application asking the Court to appoint a receiver of various assets of the Applicants. These motions are scheduled to be heard at the same time as the Comeback Motion.

5. The Monitor has established a website at www.ey.com/ca/atlasglobal (the "**Monitor's Website**"). All court documents and certain other documents will be posted on the Monitor's Website.

PURPOSE

6. The purpose of this First Report is to provide information to the Court on:

   a. the Applicants' operations and communications with stakeholders since the granting of the Initial Order;

   b. the Monitor's activities since its appointment;

   c. the Applicants' receipts and disbursements for the period from June 17, 2024 to June 23, 2024 compared to the cash flow forecast appended as Appendix "A" (the "**Initial Cash Flow Forecast**") to the Proposed Monitor's Report;

   d. the Applicants' updated weekly cash flow forecast from June 24, 2024 to October 4, 2024 on a consolidated basis for all of the Applicants (the "**Cash Flow Forecast**");

   e. the Applicants' motion (the "**ARIO Motion**") for an amended and restated Initial Order (the "**Proposed ARIO**") substantially in the form included in the Applicants' record for the ARIO Motion, among other things:

      i. increasing the maximum amount of the Administration Charge and the Directors' Charge granted pursuant to the Initial Order to $600,000 and $1,400,000, respectively;

      ii. approving the term sheet dated June 26, 2024 (the "**DIP Term Sheet**") between the Applicants and Shalcor Management Inc. (the "**DIP Lender**"), authorizing borrowings under the DIP Facility (as defined below) in an amount up to $7,000,000 (plus interest, fees and expenses), and granting a charge in favour of the DIP Lender (the "**DIP Lender's Charge**");

      iii. relieving Atlas Global Brands Inc. ("**Atlas**") of any obligation to call and hold its annual general meeting ("**AGM**") of shareholders until further Order of the Court;

      iv. relief related to Atlas' securities reporting obligations;

v. extending the Stay Period to July 26, 2024; and

vi. sealing the First Confidential Cervi Affidavit (defined below).

TERMS OF REFERENCE

7. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this First Report in respect of the Cash Flow Forecast:

   a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and

   b. some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

8. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

9. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this First Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

OVERVIEW OF THE APPLICANTS

11. This First Report should be read in conjunction with the affidavit of Jason Cervi affirmed June 19, 2024 (the "**Cervi Affidavit**"), the affidavit of Jason Cervi affirmed June 26, 2024 (the "**Second Cervi Affidavit**") and the confidential affidavit of Jason Cervi affirmed June 26, 2024 (the "**First Confidential Cervi Affidavit**" and collectively with the Cervi Affidavit and the Second Cervi Affidavit, the "**Cervi Affidavits**") for additional background and financial information with respect to the Applicants. Any terms not expressly defined herein are otherwise defined in the Cervi Affidavits.

12. The principal business activity of the Atlas Group (as defined herein) is the production, distribution, and sale of cannabis internationally and in Canada. Atlas Group medical cannabis is sold and distributed in Canada, Australia, Germany, Israel, Denmark, Norway, Spain, and United Kingdom. The Atlas Group also sells a small amount of cannabis for the adult recreational market in Canada.

13. GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd. ("**GreenSeal Nursery**"), AgMedica Bioscience Inc. ("**AgMedica**"), Wellworth Health Corp. (previously 11201336 Canada Inc) ("**Wellworth**"), 5047346 Ontario Inc. ("**5047 Ontario**"), 8050678 Canada Inc. ("**8050 Canada**") and Tavivat Naturals Inc. ("**Tavivat**" and collectively with GreenSeal, GreenSeal Nursery, AgMedica, Wellworth, 5047 Ontario and 8050 Ontario, the "**Ontario Subsidiaries**") are subsidiaries of Atlas (the Applicants, together with all Atlas subsidiaries, are the "**Atlas Group**").

14. Atlas is a holding company providing management services to the Ontario Subsidiaries and strategic direction to the Atlas Group. Atlas' operations are substantially conducted through its Ontario Subsidiaries, AgMedica and GreenSeal in particular.

15. Atlas is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario and its shares are listed on the Canadian Securities Exchange under the ticker symbol "ATL".

AgMedica

16. AgMedica is licensed producer of cannabis in respect of its indoor production and distribution facility at 566 Riverview Drive, Chatham-Kent, Ontario (the "**Chatham Facility**"). AgMedica wholly owns and controls three subsidiaries:

    a. 5047 Ontario which owns the Chatham Facility and is liable under the mortgages on the property;

    b. Tavivat, which has no employees. It was acquired along with 8050 Canada to become the operating company for the contemplated infused beverage business;

    c. 8050 Canada is a subsidiary of Tavivat with no employees or assets. Its only asset is intellectual property related to a specialized bottle cap that can be used to infuse the beverage with cannabis; and

    d. Unique Beverages (USA) Inc. is a subsidiary of Tavivat that is organized in Delaware. It is a dormant corporation with no operations presently.

17. AgMedica controls a fifth subsidiary, Wellworth, which has no operations, employees, or liabilities. It was acquired to facilitate access to the Canadian medical cannabis market prior to legalization of recreational use. AgMedica owns 80% of Wellworth, and the remaining 20% is owned by 11213091 Canada Inc.

AgMedica Secured Lenders

18. AgMedica has a secured First Mortgage Loan with Hillmount as mortgage financing for the Chatham Facility. The current amount owing on the First Mortgage Loan is approximately $3.4 million. The amounts owing to Hillmount are further secured by a fixed and floating charge over all of the assets and undertakings of AgMedica.

19. AgMedica has a Second Mortgage Loan as financing for the Chatham Facility with AgriRoots. The current amount owing on the Second Mortgage Loan is approximately $12.8 million.

20. The Monitor is advised that as of the CCAA filing date, AgMedica was one month in arrears (approximately $45,000) with respect to its obligations under the First Mortgage to Hillmount. On June 11, 2024, Hillmount issued a demand letter to 5047 Ontario demanding payment of these arrears and requesting evidence of payment of property tax arrears on the Chatham Facility. On June 18, 2024, Hillmount issued a second demand letter to 5047 Ontario demanding repayment of the entire indebtedness and enclosing a Notice of Intention to Enforce Security pursuant to s. 244(1) of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**"). On June 19, 2024, Hillmount issued a further demand letter to all of 5047 Ontario, AgMedica, Wellworth, 805 Canada and Tavitat (collectively, the "**Hillmount Debtors**") demanding repayment of the entire indebtedness.

21. 5047 Ontario owes property taxes in respect of the Chatham Facility in the amount of $336,267.

22. AgMedica has not remitted approximately $1.5 million in payroll withholdings and taxes. The Monitor understands that 5047 Ontario is not liable for these amounts owing.

Hillmount Application

23. On June 25, 2024, Hillmount delivered an application for an Order to, among other things:

    a. appoint PricewaterhouseCoopers Inc. ("**PwC**") as receiver over the assets and undertakings of AgMedica; and

    b. appoint David Blair as the Chief Restructuring Advisor (in such capacity, the "**CRO**") of the Hillmount Debtors in accordance with the terms set out in the Order sought and pursuant to engagement terms between PwC and Mr. Blair.

24. The Notice of Application filed by Hillmount states that Mr. Blair holds the necessary approvals to preserve the applicable cannabis license and would be able to act as the

"responsible person" under the relevant cannabis legislation and regulations and exercise decision-making authority relating to the cannabis property, operations and undertakings that PwC as receiver would not be licensed to manage or operate.

25. Hillmount's application is returnable at the same time as the Comeback Hearing.

GreenSeal

26. GreenSeal is a licensed producer of cannabis based in Stratford, Ontario in respect of its facility located at 530 Wright Boulevard, Stratford, Ontario (the "**Stratford Facility**").

27. GreenSeal Nursery is a licensed cannabis nursery in Stratford, Ontario. It owns and manages over 1,000 cannabis plants' genetics.

28. Atlas has a wholly owned subsidiary incorporated in Israel named Cambrosia Ltd. ("**Cambrosia**"). Cambrosia acquired a 51% interest in entities that operate three Israel pharmacies (Tlalim Pappo Ltd., Pharmacy Baron Ltd., and R.J. Regavim Ventures Ltd., collectively the "**Israel Subsidiaries**"). The Atlas Group sells medical cannabis products through the Israel pharmacies directly to patients. The Israel Subsidiaries are not Applicants in these proceedings and no relief is being sought in relation to them.

GreenSeal Secured Lenders

29. GreenSeal entered into the Receivables Purchase Agreement or factoring relationship with Stoke Canada Finance Corp. ("**Stoke**") with respect to certain Eligible Receivables. The current amount owing to Stoke is approximately $1,854,000. The Applicants have advised the Monitor that the value of GreenSeal's receivables at the time of CCAA filing was approximately $1,500,000. Stoke had advanced 40% (approximately $600,000) against these receivables.

30. GreenSeal has two non-revolving commercial mortgage facilities with Your Neighbourhood Credit Union Limited ("**YNCU**") in the principle amount of $4,371,000 and $675,000 as mortgage financing for the Stratford Facility. YNCU also made available an operating credit facility limited to the principal amount of $300,000. The current amount owing on these facilities is approximately $5.1 million.

31. The amounts owing to YNCU are further secured by a fixed and floating charge over all of the assets and undertakings of GreenSeal, including GreenSeal's receivables.

Stoke Application

32. On June 13, 2024 (prior to the date of the Initial Order), Stoke issued a notice of application asking the Court to appoint PwC as receiver of certain assets of GreenSeal. This application is returnable at the same time as the Comeback Hearing.

33. On June 25, 2024, Stoke delivered a supplementary application record in support of its receivership application.

YNCU Application

34. On June 26, 2024, YNCU issued a notice of application asking the Court to appoint PwC as receiver of certain assets of GreenSeal including the Stratford Facility. This application is returnable at the Comeback Hearing.

35. YNCU is not purporting to appoint PwC as receiver over the cannabis assets or operations of GreenSeal involving cannabis assets.

36. The Monitor understand from the Second Cervi Affidavit that as of the CCAA filing date, GreenSeal was current in its obligations to YNCU and YNCU had not issued any demands nor had it issued a Notice of Intention to Enforce Security pursuant to s. 244(1) of the BIA.

37. The Monitor further understands from the Second Cervi Affidavit that there may be a potential priority dispute between Stoke and YNCU with respect to GreenSeal's receivables.

38. GreenSeal is current on its property taxes in respect of the Stratford Facility and payroll withholdings and taxes.

UPDATE ON APPLICANTS' OPERATIONS

39. Since the date of the Initial Order, the Applicants have maintained their existing operations.

40. On June 21, 2024, Management held a virtual town hall meeting for the employees of the Applicants to advise of the CCAA Proceedings and address any questions.

41. Management received communications from the Monitor to assist with questions from its suppliers in regards to the Applicants' CCAA proceedings and, to date, has not encountered any supply issues. Management also conducted outreach to certain of its customers and partners. The Monitor will continue to support and oversee these efforts to ensure the smooth continued operation of the Applicants' business.

42. Management has held discussions with various potential interim financiers and worked towards receiving a viable term sheet.

43. Management has held brief discussions and fielded inquiries with various potential strategic partners who have shown inbound interest in participating in a sale and investment solicitation process.

44. Management and its legal counsel have continued discussions with some of their secured creditors.

45. On June 21, 2024, the Applicants published a press release to inform its stakeholders of the commencement of the CCAA proceedings and the issuance of the Initial Order.

46. The Applicants have also engaged with the Canada Revenue Agency ("**CRA**") with the support of the Monitor. As noted in the Proposed Monitor's Report, prior to the CCAA filing the CRA had issued garnishment notices ("**CRA Requirements**") to various provincial wholesalers for non-payment of excise duties by GreenSeal. The CRA had also refused to issue cannabis stamps to GreenSeal, which prevented GreenSeal from selling its product and was threatening to suspend or not renew GreenSeal's licence. As a result of these discussions:

a. the CRA agreed to withdraw the CRA Requirements; and

b. the CRA agreed that it will supply cannabis stamps in the ordinary course during the CCAA proceedings, provided that:

i. the Applicants remain current with their monthly filing obligations under section 160 of the *Excise Act, 2001*;

ii. the number of stamps ordered do not exceed the licencee's capacity limit;

iii. post-CCAA duties are paid or remitted on a timely basis as and when they become due.

47. The Applicants previous contemplated seeking language in the ARIO to stay the CRA Requirements and require the CRA to continue to supply cannabis stamps. As a result of the agreements that have been reached with the CRA, this relief is no longer necessary.

MONITOR'S ACTIVITIES TO DATE

48. Since the granting of the Initial Order, the Monitor has:

a. responded to e-mails received from parties with respect to these CCAA proceedings;

b. attended sessions with the Applicants' management to address questions in regards to supplier communications and cash management including reviewing the Applicants' disbursements;

c. participated in discussions among the Applicants in respect of the June 27, 2024, comeback hearing and related issues, including reviewing and commenting on the DIP Term Sheet dated June 26, 2024 between the DIP Lender, as lender and the Applicants, as borrowers, in respect of the DIP Facility;

d. established the Monitor's Website to disseminate information to stakeholders; and

e. set up an email address (atlasglobal.monitor@ca.ey.com) and hotline phone number (416-943-8046 / 1-833-453-2983) that are specific to these CCAA Proceedings in order to respond to inquiries from the Applicants' creditors and other stakeholders.

49. In addition, pursuant to the Initial Order:

a. the Monitor has posted copies of the Initial Order and Service List on the Monitor's Website;

b. on June 24, 2024, the Monitor e-mailed or mailed a notice, which included information about these CCAA Proceedings, the toll-free telephone number and the Monitor's email address (the "**Notice to Creditors**") to creditors with claims greater than $1,000 appearing in the Applicants' books and records as at the date of the Initial Order (collectively, the "**Known Creditors**"). A copy of the Notice to Creditors was also posted on the Monitor's Website;

c. on June 25, 2024, the Monitor posted on the Monitor's Website a list by Applicant showing the Known Creditors and the estimated amount of their claims; and

d. the Monitor arranged for the Notice to Creditors to be published in *The Globe and Mail* (National Edition) on June 26, 2024.

50. On June 24, 2024, the Monitor received a letter from Stoke requesting, among other things, that (i) the Monitor confirm that receipts from accounts receivable of GreenSeal that may be subject to Stoke's security be segregated and subject to oversight by the Monitor, and (ii) the Monitor provide certain additional information related to the relationships disclosed in its Proposed First Report.

51. With respect to the former, as set out below and in the Second Cervi Affidavit, as the receivables are collected by GreenSeal, they will be remitted to the Monitor to be held in trust. The receivables are not included in the cash flow and will not be used in the operations of GreenSeal.

52. With respect to the latter, as set out in the Proposed First Report and the Monitor's submissions to court at the hearing of the initial application:

<u>Alberta Receivership</u>

a. On June 2, 2023, Atlas announced its decision to cease operations at the Gunn facility and liquidate the assets of Atlas Biotechnologies Inc. and Atlas Growers Ltd. ("**Atlas**

Growers" and collectively, the "**Alberta Subsidiaries**") which are subsidiaries of Atlas;

b. On June 28, 2023, EY was also appointed to act as the court-appointed receiver and manager of the Alberta Subsidiaries on application by a secured creditor. Atlas did not oppose the granting of the receivership order;

c. In this capacity, EY commenced an action against GreenSeal in Alberta to recover an unpaid invoice in the amount of $351,712.50 (the "**Alberta Subsidiaries Claim**").

d. The Alberta Receivership is being conducted out of a different office (Edmonton) in a different Province and none of the individuals that are involved in the Alberta Receivership will be involved in any aspect of EY's responsibilities as Monitor.

e. EY has implemented ethical walls and required the individuals on both the Alberta Receivership and Atlas CCAA teams to sign appropriate acknowledgements to ensure that no information in relation to the Alberta Receivership will be accessed or used in relation to the Atlas CCAA or *vice versa*.

f. The Alberta Subsidiaries Claim is an unsecured claim that has been stayed by the Initial Order and it currently unlikely that any value will be realized in relation to it given the other creditors that would have priority over any such claim.

<u>Relationship with Trevor Henry</u>

a. A current Director of five of the Applicants (Atlas, 5047 Ontario, Wellworth Health Corp., Tavivat, 8050 Canada), Trevor Henry, is the brother of a member of the Global Executive Committee of the EY Global network of member firms.

b. The member is employed by EY International Services Inc. ("**EYIS**") and provides services to EY Global under an agreement between EYIS and EY Global.

c. The member is not an officer, director, or employee of EY, and none of the member, EYIS or EY Global is a direct or indirect owner or shareholder of EY or exercises control over EY. EY is not related to Trevor Henry or any of the Applicants.

d. The member will not be involved in the conduct of any aspect of EY's responsibilities as Monitor, if appointed. The member did not advise or participate in any way in the process leading up to the CCAA filing.

53. The above relationships and roles do not disqualify EY from acting as Monitor and do not give rise to any conflict.

54. As set out in the Confidential Cervi Affidavit, the Applicants have received 10 communications from entities expressing interest in providing a DIP, providing a stalking horse bid, or otherwise participating in a sale and investment solicitation process ("**SISP**"), or acquiring all or part of the Atlas Group. Given the interest already expressed, the Monitor's view is that the Applicants are positioned to commence a SISP in relatively short order. Relief related to the SISP is not being sought on the Comeback Motion.

APPLICANTS' RECEIPTS AND DISBURSEMENTS

55. A summary of the Applicants' actual receipts and disbursements during the period from June 17, 2024 to June 23, 2024 (the "**Reporting Period**"), as compared to the Initial Cash Flow Forecast (the "**Variance Analysis**") is attached as **Appendix "A"** to this First Report.

56. During the Reporting Period, the Applicants' operations generated a net cash inflow of approximately $140,000. As at June 23, 2024, the Applicants' cash on hand was approximately $358,000.

57. The unfavourable cash position variance for the Reporting Period of approximately $44,000 is primarily a result of a negative total variance on forecast receipts of approximately $31,000 and a negative total variance on disbursements of approximately $12,000.

OVERVIEW OF APPLICANTS' CASH FLOW FORECAST

58. The Applicants, with the assistance of the Monitor, have prepared a Cash Flow Forecast which includes forecast receipts and disbursements for the period from June 24, 2024 to the week ending October 4, 2024 (the "**Cash Flow Period**") for the purpose of projecting

the Applicants' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached as **Appendix "B"** to this First Report.

59. The Cash Flow Forecast is presented on a weekly basis during the Cash Flow Period and represents the estimates of Management of the Applicants' projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been prepared by the Applicants using probable and hypothetical assumptions (the "**Assumptions**") set out in the notes to the Cash Flow Forecast.

60. The Monitor has reviewed the Cash Flow Forecast through inquiries, analytical procedures and discussions, and review of documents related to the Information supplied to it by certain key members of Management and employees of the Applicants. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in any material respect, that:

   a. the Assumptions are not consistent with the purpose of the Cash Flow Forecast;

   b. as at the date of this Report, the Assumptions are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or

   c. the Cash Flow Forecast does not reflect the Assumptions.

61. The Cash Flow Forecast shows that the Applicants project estimated total combined receipts of approximately \$6.4 million and estimated total combined disbursements of approximately \$13.1 million.

62. The Cash Flow Forecast assumes the DIP Facility is available to the Applicants. As contemplated in the DIP Term Sheet, the DIP Facility is available to fund working capital needs of the Applicants including servicing ordinary course payments of principal and interest to certain secured creditor. More specifically, the Cash Flow Forecast assumes:

   a. that only \$1.85 million of the DIP Facility is advanced prior to the proposed extended Stay Period; and

b. following the second DIP draw of $4.5 million:

  i. property tax arrears for the Chatham Facility are paid;

  ii. regular mortgage payments of principal and interest are caught up and paid monthly;

  iii. a payment to AgriRoot for mortgage arrears of approximately $668,000, all with a view to bring the mortgagees in good standing;

  iv. a payment will be made to the Monitor to be held in trust of $500,000 for the under-collateralized factoring position of Stoke (the "**Collateral Payment**"). Receipts totalling approximately $1.35 million from accounts receivable of GreenSeal that may be subject to security held by Stoke for which Stoke advanced approximately $500,000 have been excluded from the Cash Flow Forecast (the "**Factoring Receivables**"). As the Factoring Receivables are collected by GreenSeal, they will be remitted to the Monitor to be held in trust along the Collateral Payment until further order of the Court; and

  v. monthly interest payments to Stoke.

63. The Cash Flow Forecast projects that the Applicants will have sufficient liquidity during the Stay Period, as extended pursuant to the Proposed ARIO should it be granted by this Court, subject to the availability of the DIP Facility.

PROPOSED AMENDED AND RESTATED INITIAL ORDER

Increase to the Administration Charge

64. Pursuant to the Initial Order, this Court granted the Administration Charge in the amount of up to $400,000 if favour of the Monitor, counsel to the Monitor and counsel to the Applicants to secure payment of their professional fees and disbursements prior to and during the initial 7-day Stay Period prior to the Comeback Hearing.

65. The Applicants seek to increase the Administration Charge to $600,000. This increase reflects the amount necessary beyond the initial 7-day Stay Period to ensure the

beneficiaries of the Administration Charge have adequate protection throughout the CCAA Proceedings until the end of the Stay Period, as extended.

66. The Monitor is of the view that the increased amount of the Administration Charge is reasonable and appropriate in the circumstances, having considered the complexity of the CCAA Proceedings, the work that has been completed to date, the engagement terms and anticipated work levels, the timing of payment of the forecast professional costs and the size of Court-ordered charges approved in comparable insolvency proceedings.

Increase to the Directors' Charge

67. Pursuant to the Initial Order, this Court granted the Directors' Charge in the maximum amount of $500,000 in favour of the Applicants' current officers and directors. The Applicants seek to increase the quantum of the Directors' Charge to $1,400,000 to account for additional exposure that may arise as a result of the extension of these CCAA Proceedings.

68. This increase in amount reflects the amount necessary to ensure the beneficiaries of the Directors' Charge have protection throughout the CCAA Proceedings to oversee the Applicants' continuing operations and to allow the Applicants to complete a restructuring.

69. The Directors and Officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, to the extent such coverage is insufficient to pay an indemnified amount as described above, or to the extent that such coverage is denied by the insurance provider.

70. The Monitor reviewed the calculation of the Directors' Charge that was prepared by the Applicants taking into consideration the estimated payroll-related costs, the timing of such payroll related costs, the vacation accrual, and an estimate of costs related to harmonized sales taxes and excise taxes. Attached as **Appendix "C"** is the calculation of the Director's Charge.

DIP Facility and related DIP Lender's Charge

71. In order to provide the required liquidity needed to fund the operations of the Applicants during the CCAA Proceedings, the Applicants are seeking the approval of the DIP Term Sheet, pursuant to which the DIP Lender has agreed to provide the Applicants financing up to a maximum principal amount of $7,000,000 (the "**DIP Facility**"), as required in the Cash Flow Forecast. In addition to the approval of the DIP Term Sheet, the ARIO also provides for the creation of a related charge, the DIP Lender's Charge, in favour of the DIP Lender to secure all obligations that may be owing to the DIP Lender under the DIP Term Sheet up to the maximum principal amount of $7,000,000.

72. The DIP Lender's Charge will be secured by all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "**Property**"), subject only to the Administration Charge in the maximum aggregate principal amount of $650,000. With respect to GreenSeal Cannabis Company, Ltd's Property, the DIP Lender's Charge shall be limited to the principal amount of $3,000,000. A copy of the DIP Term Sheet is attached as Exhibit "D" to the Second Cervi Affidavit.

73. The purpose of the DIP Facility is to fund: (i) working capital needs of the Applicants to undertake a SISP, including servicing ordinary course payments of principal and interest to certain secured creditors; (ii) professional fees and expenses incurred by the Applicants and the Monitor in respect of the CCAA Proceedings, in each case in accordance with the Cash Flow Forecast described herein; (iii) fees and expenses of the DIP Lender in connection with the preparation, registration and ongoing administration of the DIP Facility; and (vi) such other costs and expenses of the Applicants as may be agreed to by the DIP Lender and the Monitor.

74. The following is a summary of the material terms of the DIP Term Sheet:

a. <u>DIP Facility</u>: non-revolving loan up to the maximum amount of $7,000,000, plus applicable interest and costs.

b. Advance: Draw requests shall be not less than $1,000,000 and can be advanced in multiple draws upon written request, upon satisfaction or waiver of the conditions contained in the DIP Term Sheet.

c. Interest Rate: To accrue at thirteen percent (13%) per annum on amounts advanced. Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date (as described below) to a minimum of 270 days of interest on all amounts draw on the DIP Facility.

d. Fees: The Applicants shall pay a commitment fee totalling $210,000 (the "**Fee**"), representing 3% of the principal amount, which Fee shall be earned and paid as follows:

   i. $70,000 as part of the first advance; and

   ii. $140,000 on the Maturity Date.

e. Maturity Date: The Maturity Date is the earliest of:

   i. March 30, 2025;

   ii. the closing of a sale or investment transaction, including a sale of any of the Real Property, resulting from a SISP or otherwise; which transaction has been approved by an order of the Court;

   iii. the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers' creditors and by an order of the Court;

   iv. the date on which the CCAA Proceedings are terminated for any reason, and

   v. the occurrence of an Event of Default (as defined herein), subject to a cure period of three (3) days.

75. Since just prior to the Initial Order and in the seven days since, the company has been diligently working to secure DIP financing with multiple parties, including some of its existing secured lenders. The Monitor believes that the DIP Term Sheet is the most

favourable interim financing option proposed and received in the short time frame available to the Applicants to seek funding.

76. In light of the current market environment, the state of the cannabis industry in Canada, the nature of the Applicants' assets, and the financial challenges facing the Applicants, the Applicants believe that the terms being offered in the DIP Term Sheet, including the interest rate and Fee, are reasonable in the circumstances and interest rates and costs are similar in recent CCAA filings, including those within the cannabis industry. The Monitor concurs with this assessment.

77. As described in the Cash Flow Forecast, without access to the DIP Facility, the Applicants are projected to pay operating expenses of approximately $270,000, professional fees of $200,000 and non-operating costs (including mortgage payments, vendor deposits, and pre-filing property taxes, factoring settlement for pre-filing amounts) totalling approximately $2.2 million by July 8, 2024 and this would exhaust their liquidity immediately. The super-priority of the DIP Charge contemplated is a necessary and required condition of the DIP Term Sheet in order for funding to be advanced. It is the Monitor's assessment that if funding is not advanced, the Applicants would be able to only maintain their operations until July 8, 2024, assuming they paid minimal operating expenses from the date of the Comeback Motion. If any additional time is required, inventory would need to be liquidated to provide additional cash flow. This would not be sufficient time to effect a SISP which may lead to a going concern transaction or a recapitalized and restructured entity which has the potential to be potentially a better outcome for all of its stakeholders.

78. The prejudice to the secured creditors of GreenSeal has been reduced by the DIP Charge only being given priority in relation to its property in the maximum amount of $3 million, as per the DIP Term Sheet. The Monitor understands that there are on-going discussions with certain stakeholders and that may impact the size of the potential DIP Charge. The Monitor is advised by the Applicants that the DIP Lender was not prepared to agree to reduce this priority amount in relation to the assets of GreenSeal. The priority sought is necessary for the DIP Facility to be advanced, which is necessary for the Applicants to continue as a going concern beyond the immediate term.

Intercompany Charge

79. With the proposed DIP Facility, cash requirements of AgMedica and GreenSeal will be funded through the DIP Facility and not through intercompany borrowings. Therefore, the Intercompany Charge has been removed in the Proposed ARIO.

AGM and Securities Reporting Relief

80. As set out in the First Cervi Affidavit, the shares of Atlas are currently subject to a cease-trade order.

81. As set out in the Second Cervi Affidavit, as a result of their CCAA filing, the Applicants have determined that directing further time or resources to securities reporting is not appropriate in the circumstances. The Monitor supports this decision and notes that the relief sought in the ARIO related to securities reporting relief is consistent with that issued in the CCAA proceedings of other public cannabis companies. The relief sought does not prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any required securities filings.

82. As set out in the Second Cervi Affidavit, the Applicants are requesting that the ARIO relieve Altas of any obligation to call and hold its AGM until further Order of this Court. The Applicants believe that shareholders would not be prejudiced by this relief as:

a. Shareholders would be updated with information as presented in the Monitor's reports to the Court which are available to the public;

b. Significant updates will be issued through press releases and other public disclosure which will be publicly available on SEDAR; and

c. Trading of shares has been enjoined by a cease-trade order.

83. The Monitor supports this decision. It is reasonable for the Applicants to allocate their resources to the CCAA processes that are in progress and their restructuring efforts.

Extension to the Stay Period

84. The Stay Period is set to expire on June 27, 2024. The Applicants are requesting an extension of the Stay Period until July 26, 2024.

85. Should the Court grant the other requested relief in the ARIO, the Monitor is of the view that the requested stay extension is appropriate for the following reasons: (a) the Applicants require the extension in order to advance their SISP and seek court approval thereof; and (b) the Applicants have continued to operate in good faith and with due diligence since the date of the Initial Order.

86. Subject to the availability of the DIP Facility, based on the Cash Flow Forecast, the Monitor believes that the Applicants will have sufficient liquidity for the duration of the extended Stay Period.

Sealing Order

87. The Applicants also request that the First Confidential Cervi Affidavit be sealed until further Order of the Court.

88. The First Confidential Cervi Affidavit contains:

a. appraisal reports of the Chatham Facility and Stratford Facility (the "**Appraisals**");

b. a summary of the individuals and entities that have expressed an interest in providing a DIP, providing a stalking horse bid, or otherwise participating in the SISP, or acquiring all of part of the Atlas Group (the "**Confidential Expressions of Interest**").

89. The Chatham Facility and Stratford Facility are the main assets of the Applicants and are expected form a key part of the SISP that the Applicants plan to run as part of this CCAA proceeding. The publication of the Appraisals may impact the SISP and the amounts that the Applicants are able to realize, whether through a sale or investment, in relation to those properties. It is in the interest of all of the Applicants' stakeholders for the Appraisals to remain confidential so that the value of the assets of the Applicants can be maximized.

90. The Monitor understands from the Applicants that the Appraisals have been, or will be, shared with the secured creditors that oppose the granting of the ARIO. The Monitor does not believe that any other stakeholders would be prejudiced if the Appraisals are sealed.

91. Disclosure of the identities of individuals that made the Confidential Expressions of Interest has the potential to impact the SISP by publicly disclosing the potential participants in that process before it has even commenced. The Monitor does not believe that any stakeholders would be prejudiced if the identities of those who have made the Confidential Expressions of Interest are sealed.

92. Accordingly, the Monitor believes that the test for a sealing order set out in *Sherman Estate v. Donovan*, 2021 SCC 25 is made out in the circumstances.

CONCLUSIONS

93. For the reasons stated herein, the Monitor is of the view that relief requested in the ARIO represents the only viable path forward for the Applicants to continue as a going concern past approximately July 8, 2024.

All of which is respectfully submitted this 27th day of June 2024.

ERNST & YOUNG INC., in its capacity as Monitor of the Applicants, and not in its corporate or personal capacity.

per:

K. Fung

Karen Fung, CPA, CA
Senior Vice President

APPENDIX "A"
VARIANCE ANALYSIS

Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 50473946 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc.
Variance Analysis
$CDN

	Forecasted	Actual	Variance	
week commencing	**17-Jun-24**	**17-Jun-24**	**17-Jun-24**	**Notes**
Receipts				
Domestic	100,000	26,836	(73,164)	
B2B Wholesale	200,000	40,047	(159,953)	
International	297,200	499,086	201,886	
Total Receipts	597,200	565,969	(31,231)	1
Disbursements				
Payroll	-	10,075	(10,075)	2
Vendor Payments	108,800	135,018	(26,218)	3
Mortgage Payments	-	-	-	
Utilities	125,000	-	125,000	4
Insurance	-	35,526	(35,526)	5
GST/HST	-	-	-	
Excise Remittance/Licenses	-	65,149	(65,149)	6
Restructuring Process	180,000	180,421	(421)	
Total Disbursements	413,800	426,189	(12,389)	
Net Cash Receipts/(Disbursements)	183,400	139,780	(43,620)	
Cash on Hand				
Opening balance	218,721	218,721	-	
DIP Facility Draw/Repayment	-		-	
Net Cash Receipts/(Disbursements)	183,400	139,780	(43,620)	
Ending Cash Balance	402,121	358,501	(43,620)	

1) The Company facilitated an international sale and received a deposit as opposed to a B2B sale as originally forecast.
2) The variance represents employee expenses that were processed.
3) Vendor payments were higher than forecast.
4) The positive variance was as a result of planned utility payments being stayed under the Initial Order.
5) Insurance payments were higher than forecast.
6) Excise remittances were paid prior to the stay under the Initial Order.

APPENDIX “B”
CASH FLOW FORECAST AND NOTES

Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 50473946 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc.
Consolidated Cash Flow Forecast
$CDN

	Notes	Week Commencing															Total
		24-Jun-24	**01-Jul-24**	**08-Jul-24**	**15-Jul-24**	**22-Jul-24**	**29-Jul-24**	**05-Aug-24**	**12-Aug-24**	**19-Aug-24**	**26-Aug-24**	**02-Sep-24**	**09-Sep-24**	**16-Sep-24**	**23-Sep-24**	**30-Sep-24**	
Receipts	*1*																
Domestic		153,210	34,468	34,468	34,468	34,468	187,632	187,632	187,632	187,632	187,632	218,333	218,333	218,333	218,333	218,333	2,320,906
B2B Wholesale		347,347	68,691	68,691	68,691	68,691	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	1,122,112
International		119,517	214,891	214,891	214,891	214,891	180,149	180,149	180,149	180,149	180,149	202,271	202,271	202,271	202,271	202,271	2,891,182
Rental Income		-	46,019	-	-	-	46,019	-	-	-	-	36,693	-	-	-	-	128,730
Total Receipts		620,074	364,069	318,050	318,050	318,050	463,799	417,781	417,781	417,781	417,781	507,297	470,604	470,604	470,604	470,604	6,462,930
Disbursements																	
Payroll	*2*	395,521	-	453,313	-	463,313	27,750	453,313	-	443,313	47,750	453,313	-	443,313	47,750	453,313	3,681,962
Vendor Payments	*3*	22,600	222,119	178,300	128,800	301,174	222,119	178,300	128,800	134,200	184,974	235,093	108,800	134,200	184,974	198,400	2,562,852
Mortgage Payments / Chatham backstop	*4*	-	-	-	-	-	-	945,445	232,500	-	22,500	210,000	22,500	-	22,500	210,000	1,665,445
Vendor Deposits - post stay	*5*	-	300,000	40,000	-	-	-	-	-	-	-	-	-	-	-	-	340,000
Property Taxes	*6*	-	-	-	-	-	-	360,000	-	-	-	275,000	-	-	-	-	635,000
Utilities	*7*	-	47,000	125,000	-	-	47,000	105,000	-	-	-	152,000	-	-	-	152,000	628,000
Insurance	*8*	36,000	-	36,000	-	36,000	36,000	-	-	-	36,000	36,000	-	-	36,000	36,000	288,000
GST/HST	*9*	-	-	-	-	60,000	-	-	-	-	60,000	-	-	-	60,000	-	180,000
Excise Remittance/Licenses	*10*	24,000	-	-	-	75,417	-	-	-	-	372,581	-	-	-	372,581	-	844,579
Factoring Settlements	*11*	107,000	-	-	-	-	77,091	509,410	-	-	27,091	-	-	-	-	27,091	747,682
DIP Fees	*12*	-	70,000	-	-	-	-	-	-	-	-	-	-	-	22,750	-	92,750
Restructuring Process	*13*	-	200,000	50,000	150,000	50,000	-	200,000	-	200,000	-	200,000	-	200,000	-	200,000	1,450,000
Total Disbursements		585,121	839,119	882,613	278,800	985,904	409,959	2,751,468	361,300	777,513	750,896	1,561,406	131,300	777,513	746,555	1,276,804	13,116,270
Net Cash Receipts/(Disbursements)		34,953	(475,050)	(564,563)	39,250	(667,854)	53,840	(2,333,687)	56,481	(359,732)	(333,115)	(1,054,109)	339,304	(306,909)	(275,951)	(806,200)	(6,653,340)
Cash on Hand																	
Opening balance	*14*	358,853	393,806	1,768,756	1,204,194	1,243,444	575,590	629,430	2,795,743	2,852,224	2,492,492	2,159,377	1,105,268	1,444,572	1,137,663	1,511,712	358,853
DIP Facility Draw/Repayment	*15*	-	1,850,000	-	-	-	-	4,500,000	-	-	-	-	-	-	650,000	-	7,000,000
Net Cash Receipts/(Disbursements)		34,953	(475,050)	(564,563)	39,250	(667,854)	53,840	(2,333,687)	56,481	(359,732)	(333,115)	(1,054,109)	339,304	(306,909)	(275,951)	(806,200)	(6,653,340)
Ending Cash Balance		393,806	1,768,756	1,204,194	1,243,444	575,590	629,430	2,795,743	2,852,224	2,492,492	2,159,377	1,105,268	1,444,572	1,137,663	1,511,712	705,513	705,513
DIP																	
Opening Balance		-	-	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	7,000,000	-
DIP Facility Draw/Repayment		-	1,850,000	-	-	-	-	4,500,000	-	-	-	-	-	-	650,000	-	7,000,000
Ending Balance		-	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	6,350,000	7,000,000	7,000,000	7,000,000

IN THE MATTER OF THE CCAA OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY LTD., AGMEDICA BIOSCIENCES INC. et al. (collectively, the "Applicants")

Notes to the Unaudited Cash Flow Forecast of the Applicants

June 24, 2024 to October 6, 2024 (the "Forecast Period")

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants, with the assistance of Ernst & Young Inc. (the "**Monitor**"), have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the Applicants' operations and additional assumptions discussed below with respect to the impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**"). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast Period will vary from the Cash Flow Forecast, even if the Assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast includes the receipts and disbursements of the Applicants during the Forecast Period. The Applicants, with the assistance of the Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the Applicants' ongoing operations during the anticipated stay extension period.

Receipts and disbursements are denominated in Canadian dollars.

Assumptions:

1. **Receipts**
   This category includes receipts generated by the Applicants through the sale of cannabis products to provincial distributors domestically, bulk to other licensed producers and internationally to licensed customers in their respective countries. Rental income receipts are from leases with third party tenants in the Applicants owned properties.

   Receipts totalling approximately $1.35 million from accounts receivable of GreenSeal Cannabis Company that may be subject to security held by Stoke Inventory Partners Inc. ("**Stoke**") for which Stoke advanced approximately $500,000 have been excluded from the Cash Flow Forecast and will be remitted to the Monitor to be held in trust.

2. **Payroll Costs**
Employees are paid on a bi-weekly basis and represents gross payroll, WSIB, EHT and employee benefits.

3. **Vendor payments**
Represents disbursements related to purchase of raw materials, consumables, freight, general repairs and maintenance, security, temporary labour and other facility expenses.

4. **Mortgage Payments**
After the second DIP draw in the amount of $4.5 million, it assumes regular payments to secured lenders throughout the remaining Forecast Period to maintain good standing.

5. **Vendor Deposits – post stay**
Prepayments and security deposits on account for future services required due to expected withdrawal of credit terms from vendors.

6. **Property Taxes**
After the second DIP draw in the amount of $4.5 million, payment of local property taxes are made to ensure no tax charges are primed against the land & building assets.

7. **Utilities**
Represents the cost of gas, water and hydro.

8. **Insurance**
Represents insurance expenses.

9. **GST/HST**
Represents sales taxes.

10. **Excise Remittances/Licenses**
Represents expenses such as Health Canada licences and excise duty taxes.

11. **Factoring Settlements**
The total factoring liability that may be secured against GreenSeal receivables is $1.8M. As noted in number 1 above, $1.35 million of actual expected receipts have been excluded from the Cash Flow Forecast as they will be remitted by the Company to the Monitor to be held in trust pending further order of the court. After the second DIP draw in the amount of $4.5 million, payments reflect approximately $500,000 to be paid to the Monitor in trust for the under-collateralized factoring position of Stoke. Payments also reflect monthly interest to Stoke.

12. DIP Fees

Assumes 1.0% commission paid on the initial DIP draw. DIP interest charges are to be accumulated over the period and paid on maturity.

13. Restructuring Process

Restructuring costs include professional fee payments and expenses of the Applicants' legal counsel, the proposed Monitor and its counsel in connection with the Applicants' restructuring proceedings.

14. Beginning Balance

Represents the opening cash balance as of June 24, 2024.

15. DIP Draws

Represent DIP draws pursuant to the proposed DIP facility of $7 million.

APPENDIX “C”
DIRECTORS’ CHARGE

Atlas Global Brands Inc.
Preliminary Director and Officer (D&O) Liabilities Charge Sizing Analysis
CDN $

	First 10-day Period	Estimated Full Exposure	**Note**
Wages and Salaries			a)
AgMedica	$ 274,000	$ 411,000	
GreenSeal	$ 169,313	$ 253,970	
	$ 443,313	$ 664,970	
Vacation Pay			b)
AgMedica	$ 72,294	$ 77,774	
Atlas Global Brands	$ 167,441	$ 167,441	
GreenSeal	$ 100,528	$ 103,914	
	$ 340,263	$ 349,129	
Withholding Taxes			c)
AgMedica	$ -	$ -	
GreenSeal	$ -	$ -	
	$ -	$ -	
Employee-Related Liabilities	$ 783,576	$ 1,014,098	
Post-filing HST and Excise Duty			d)
AgMedica	$ 8,333	$ 25,000	
GreenSeal	$ 126,333	$ 379,000	
Post-filing Tax-Related Liabilities	$ 134,667	$ 404,000	
Total	$ 918,242	$ 1,418,098	
D&O Charge Assessment (rounding)	$ 920,000	$ 1,420,000	

Salaries included in AgMedica

Notes

a) Payroll is paid bi-weekly and is paid 1 week in arrears. Given past source arrears, Company intends to remit payroll source deductions at time payroll is funded. The maximum post-filing exposure is estimated based on the day prior to funding the payroll and woud represent 1.5 pay periods.
b) Accrued vacation liability as June 15, 2024 +4% of the wages.
c) Source deductions for payroll for June 13, 2024 to be paid June 18, 2024.
d) Represents an estimate of the maximum HST and Excise duty exposure on a monthly filing basis based on the monthly cash flow forecast.

GreenSeal	$ 736,883
AgMedica	$ 681,215
	$ 1,418,098