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CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTREAL  
COURT N°:500-11-065405-256

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

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

**9541-1906 QUEBEC INC.  
(FORMER PELICAN INTERNATIONAL INC.)**

-and-

**PELICAN US TOPCO LLC**

-and-

**9541-1906 INC.  
(FORMER CONFLUENCE OUTDOOR INC.)**

Debtors

-and-

**FTI CONSULTING CANADA INC.**

Monitor

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**FOURTH REPORT TO THE COURT  
SUBMITTED BY FTI CONSULTING CANADA INC.,  
IN ITS CAPACITY AS MONITOR**

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## INTRODUCTION

1. On February 28, 2025, 9541-1906 Quebec Inc. (then known as Pelican International Inc.) ("**Pelican**") filed a Notice of Intention to Make a Proposal under the relevant provisions of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, ("**NOI Proceedings**"), and KPMG Inc. was appointed as the proposal trustee in the NOI Proceedings.
2. On March 18, 2025, National Bank of Canada ("**NBC**"), as administrative agent, collateral agent and hypothecary representative, of a syndicated secure loan advanced by NBC, Bank of Montreal, Fédération des Caisses Desjardins du Québec and The Toronto-Dominion Bank (collectively the "**Lenders**"), filed an application entitled Application for the Issuance of an Initial Order, an Amended and Restated Initial Order and a Sale and Investment Solicitation Process Order (the "**Initial Application**") before this honourable Court (the "**Court**") to commence proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "**CCAA**") seeking the issuance of an order including relief declaring that Pelican, Pelican US Topco LLC. ("**Pelican US Topco**") and 9541-1906 Inc. (then known as Confluence Outdoor Inc.) ("**Confluence**" and, together with Pelican and Pelican US Topco, the "**Debtors**") are debtor companies subject to the CCAA, providing for a stay of proceedings in respect of the Debtors, the appointment of FTI Consulting Canada Inc. ("**FTI**" or the "**Monitor**") as Monitor and various other relief measures (the "**CCAA Proceedings**").
3. On March 18, 2025, FTI, then in its capacity as proposed Monitor, issued its pre-filing report to the Court (the "**Pre-Filing Report**") as part of the CCAA Proceedings. The purpose of the Pre-Filing Report was to provide information to the Court with respect to the Debtors' financial situation and the relief sought by the Lenders as part of the Initial Application, and, more specifically, as part of the proposed Initial Order.
4. On March 19, 2025, the Court granted the Initial Application and rendered an order (the "**Initial Order**"), which provides for, *inter alia*, (i) a stay of proceedings against the Debtors, their properties and their directors and officers until and including March 28, 2025; (ii) the appointment of FTI as Monitor to the Debtors in the context of the CCAA Proceedings; (iii) the approval of an interim financing entered into between the Lenders, (the "**Interim Lenders**"), and the Debtors, as borrowers (the "**Interim Financing**"), as well as the authorization for the Debtors to borrow thereunder an amount of up to \$4,000,000, to be secured by an "**Interim Lender's Charge**" of \$4,800,000, (iv) the approval of the key employee retention plan (the "**KERP**") to be secured by a charge in the amount of \$495,000 (the "**KERP Charge**"), (v) the establishment of an administration charge of \$1,000,000 and (vi) the establishment of a directors' and officers' charge (the "**D&O Charge**") of \$1,300,000.
5. On March 19, 2025, the Court also granted the Sale and Investment Solicitation Process Order (the "**SISP Order**") thereby, *inter alia*, approving the conduct by the Monitor of a sale and investment solicitation process in accordance with the procedures annexed to the SISP Order.
6. On March 21, 2025, the United States Bankruptcy Court District of South Carolina (the "**US Court**") granted a provisional relief pursuant to section 1519 of the United States Bankruptcy Code.
7. On March 28, 2025, the Court granted an Amended and Restated Initial Order ("**ARIO**"), which provides for, *inter alia*, (i) a stay of proceedings against the Debtors, their properties and their directors and officers until and including April 28, 2025 (the "**Stay Period**"), (ii) the increase of the Interim Financing by an additional amount of \$2,800,000 for a total amount of \$6,800,000, to be secured by an Interim Lender's Charge of \$8,160,000 and (iii) the reduction of the D&O Charge to \$900,000.

8. On March 28, 2025, the Court also ordered Overseas Express Consolidators (Canada) Inc. (“**OEC**”) to remit to the Debtors the goods withheld by OEC in exchange for the payment of the sums due in respect of the relevant containers. OEC was asserting an alleged right of retention, and the Court deferred the determination of any such right, to a subsequent hearing prior to a distribution to the Debtors’ creditors.
9. On April 15, 2025, the US Court granted an order (i) recognizing the CCAA Proceedings as the foreign main proceeding, (ii) recognizing the foreign representative, (iii) recognizing the Initial Order, the ARIO and the SISP Order and, (iv) granting related relief.
10. On April 23, 2025, the Monitor filed an Application for the Issuance of an Approval, Vesting and Assignment Order and Ancillary Relief.
11. On April 28, 2025, the Court issued an Approval, Vesting and Assignment Order (the “**GM AVO**”), pursuant to the CCAA, thereby approving an Asset Purchase Agreement dated April 23, 2025, between 9541-1906 Quebec Inc. (then known as Pelican International Inc.) and 9541-1906 Inc. (then known as Confluence Outdoor Inc.), as vendors, and 9539-5893 Quebec Inc. as purchaser (the “**Purchaser**”), and Groupe Mach Acquisition Inc. as a guarantor of the purchaser (the “**Mach Transaction**”).
12. That same date, the Court issued a stay extension order thereby extending the Stay Period until August 11, 2025 (“**Stay Extension Order**”).
13. On May 10, 2025, the Monitor served and filed with this Court the *Certificate of the Monitor* confirming the closing of the Mach Transaction.
14. On June 11, 2025, the GM AVO was recognized by the US Court in the context of Chapter 15 Proceedings (“**AVO Recognition Order**”).
15. On August 6, 2025, the Monitor filed an Application for a Second Amended and Restated Initial Order and a Distribution Order (the “**Second ARIO**”).
16. The purpose of this fourth report of the Monitor (the “**Fourth Report**”) is to update the Court with respect to:
  - The Monitor’s activities since the issuance of the Third Report;
  - The Debtors’ cash flow results for the period ended July 20, 2025;
  - The Debtor’s weekly cash flow projections for the period ending on November 30, 2025;
  - Update to the conduct of the GSI SISP;
  - Proposed distribution to the secured creditors and certain priority employee claims;
  - The Monitor’s observations and recommendations with respect to the releases sought as part of the Second ARIO;
  - The Application for an Extension of the Stay of Proceedings;
  - Upcoming restructuring measures;
  - The Monitor’s conclusions and recommendations on the Second ARIO.

17. The Fourth Report should be read in conjunction with the First, Second and Third Report.

#### **TERMS OF REFERENCE**

18. In preparing this Fourth Report, the Monitor has relied upon unaudited financial information of the Debtors, the Debtors' books and records, certain financial information prepared by the Debtors and discussions with various parties (the "**Information**").

19. Except as otherwise described in this Fourth Report:

(a) The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

(b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Fourth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.

20. The Monitor has prepared this Fourth Report solely for the purpose of providing the Court with information in relation to the reliefs sought by the Debtors, and this Fourth Report should not be relied on for any other purpose.

21. Future oriented financial information reported or relied on in preparing this Fourth Report is based on assumptions regarding future events; actual results may vary from forecasts and such variations may be material.

22. Unless otherwise stated, all monetary amounts contained herein are expressed in **Canadian Dollars**. Capitalized terms not otherwise defined herein have the meanings given to them in the previous reports, or in the Initial Application or in the ARIO Application.

#### **THE MONITOR'S ACTIVITIES SINCE THE ISSUANCE OF THE THIRD REPORT**

23. The Monitor posted a copy of its Third Report, the GM AVO, the Stay Extension Order, the *Certificate of the Monitor* and the AVO Recognition Order on the Monitor's Website.

24. Since the issuance of the Third Report, the Monitor has also issued a notice to disclaim or resiliate an agreement.

25. The Monitor held numerous discussions with employees, suppliers and both secured and unsecured creditors.

26. The Monitor, with the assistance of FTI Capital Advisors – Canada ULC ("**FTICA**"), pursued its efforts for the preparation of the sale and investment solicitation process for the assets and business of GSI Outdoor LLC ("**GSI SISP**") while pursuing the negotiations with the minority shareholders of GSI Outdoors LLC ("**GSI**") in connection with the initiation and the terms of the GSI SISP.

27. The Monitor supervised receipts and disbursements on a daily basis of the Debtors until the issuance of the *Certificate of the Monitor* and held daily meetings with management.

28. Following the issuance of the Certificate of the Monitor, and in accordance with the terms of a transition services agreement entered into with the Purchaser, the Monitor continued to provide the Purchaser with usage of the operating accounts of the Debtors under the control of the Monitor to accommodate the Purchaser while it transitioned its cash management to another financial institution. Fees associated with this task are assumed by the Purchaser.
29. The Monitor communicated with the Interim Lenders on a regular basis in order to keep them informed of the developments in the CCAA Proceedings.
30. The Monitor sent, by mail and by e-mail, to all employees that were not retained by the Purchaser, a notice of employee claims for amounts due as at February 28, 2025. Subject to the order of the Court, the Monitor intends to distribute to each such employee, in the upcoming weeks, an amount of up to \$2,000 per employee payable in accordance with section 36(7) of the CCAA.
31. Finally, the Monitor answered questions from creditors and employees of the Debtors with respect to the Debtors' restructuring process and the CCAA Proceedings.

#### **THE DEBTORS' CASH FLOW RESULTS FOR THE PERIOD ENDED JULY 20, 2025**

32. Appendix B of the Third Report set out the Debtors' cash flow projections for the period ending July 20, 2025 (the "**April CF Forecast**").
33. The Debtors' actual cash flow for the 13-week period ended July 20, 2025, is compared to the April CF Forecast in the table attached hereto as **Appendix A**.
34. The Debtors' closing cash balance as of July 20, 2025, was \$41,6 M, which constitutes a positive variance of \$40.7 M. The Monitor has the following comments regarding the key elements of the Debtors' cash flow to July 20, 2025:
  - (a) Net receipts were \$42,2 M higher than projected. This positive variance is mainly due to the collection of the proceeds from the Mach Transaction.
  - (b) Net disbursements were approximately \$1.6 M lower than projected, primarily due to:
    - (i) Raw materials purchases, overhead, distribution expenses and sales, general & admin. expenses were \$0.5 M lower than projected. This positive variance is mainly due to the fact that initially, these expenses were forecasted to be paid by the Debtors but in accordance with the Asset Purchase Agreement ("**APA**"), these expenses were assumed by the Purchaser;
    - (ii) Payroll and Commissions are \$0.2 M lower than projected. The payroll assumed by the Debtors is related solely to post-filing vacation accrual payable to the employees that were not assumed by the Purchaser. The amount initially forecasted included the last payroll payable to all employees. Again, in accordance with the APA, the payroll and commissions payable as at the closing date to all assumed employees was paid by the Purchaser;

- (iii) Professional fees are \$0.9 M lower than projected. This positive variance is due to timing since the GSI SISP has not yet commenced.
- (c) DIP funding/(reimbursement) is \$3.1M higher than projected. This negative variance is due to the fact that the DIP has been fully reimbursed following the receipt of the proceeds from the Mach Transaction.
- (d) As of the date of this Fourth Report, all post-filing expenses incurred by the Debtors have been or will be paid in the normal course of business out of the proceeds under the Monitor's control.

#### THE DEBTORS' WEEKLY CASH FLOW PROJECTIONS FOR THE PERIOD ENDING NOVEMBER 30, 2025

35. To determine the Debtors' post-closing cash flow and ongoing financing requirements during the CCAA Proceedings, the Monitor prepared the weekly cash flow forecast (the "**July CF Forecast**") for the 19-week period ending on November 30, 2025 (the "**Cash Flow Period**"). The July CF Forecast reflects the fees and expenses related to the ongoing CCAA Proceedings including any potential post-closing matters in relation with the Mach Transaction or related to the GSI SISP. A copy of the July CF Forecast is attached as **Appendix B** to this Fourth Report.
36. All fees and expenses related to the CCAA Proceedings during the Cash Flow Period will be paid from the cash on hand including the Mach Transaction proceeds or, to the extent the services are rendered for the benefit of the Purchaser under the transition service agreement, which will expire on August 8<sup>th</sup>, these fees and expenses will be assumed by the Purchaser.
37. The cash balance as at July 20, 2025, represents the aggregate cash on hand held by the Monitor.
38. The July CF Forecast shows a net cash outflow of approximately \$38,2 M for the Cash Flow Period, as summarized below:

\$CAD in thousands	Total
<b>Receipts</b>	<b>207.3</b>
<b>Disbursements</b>	
Professional fees	2,636.5
Employees priority claim	110.0
Distribution to secured creditors	35,500.0
<b>Total disbursements</b>	<b>38,246.5</b>
<b>Net cash variation</b>	<b>(38,039.2)</b>
<b>Cash balance at beginning</b>	41,559.0
Net cash variation	(38,039.2)
<b>Cash balance at end</b>	<b>3,519.8</b>

39. The Monitor's review consisted of inquiries, analytical procedures and discussion related to information supplied by certain former Management and employees of the Debtors and GSI. Since hypothetical assumptions need to be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the July CF Forecast.
40. Based on its review, nothing has come to the attention of the Monitor that causes it to believe that, in all material respects:
- (a) The hypothetical assumptions are not consistent with the purpose of the July CF Forecast;
  - (b) As at the date of this Fourth Report, the July CF Forecast does not reflect the probable and hypothetical assumptions.
41. Since the July CF Forecast 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, the Monitor expresses no assurance as to whether the July CF Forecast will be achieved.
42. The July CF Forecast has been prepared solely for the purpose described in Note A on the face of the July CF Forecast and readers are cautioned that it may not be appropriate for other purposes.

#### **UPDATE IN RESPECT OF THE GSI SISF**

43. Since the closing of the Mach Transaction, the Monitor, with the assistance of its counsel and the Lenders' counsel, has increased its focus and engagement with the minority shareholders of GSI with the aim of reaching an agreement in connection with the implementation of a sale and investment solicitation process for the assets and business of GSI.
44. The minority shareholders are an integral part of the management team of GSI and are handling the day-to-day operations. The Monitor and a representative of FTICA attended at the GSI premises on two occasions with the objective of having a better understanding of the GSI operations in preparation of the GSI SISF. The Monitor also took the opportunity to continue discussions with the minority shareholders in respect of the agreement with the ultimate objective of launching the GSI SISF shortly.
45. The Monitor remains cautiously optimistic that it will be able to finalize an agreement with the minority shareholders shortly.

46. As part of the discussions, a draft timeline of key milestones has been proposed by FTICA and the Monitor to the minority shareholders. The proposed key milestone and timeline for the GSI SISP are outlined in the schedule below:

Event	Deadline
1. <u>Solicitation letter:</u>	On or about August 13, 2025
2. <u>Access to Confidential Memorandum and Virtual Data Room</u>	On or about August 20, 2025
3. <u>Bid Deadline – Phase I</u>	September 17, 2025
4. <u>Identification of qualified Phase II bidders</u>	No later than September 24, 2025
5. <u>Bid Deadline – Phase II</u>	October 29, 2025
6. <u>Selection of successful bid</u>	November 10, 2025
7. <u>Definitive documentation and Court approval</u>	Week of November 17, 2025

47. The Monitor’s primary objective is to finalize the agreement in a timely manner, allowing the GSI SISP to commence as outlined in the proposed timeline above.

#### **PROPOSED DISTRIBUTION TO THE SECURED CREDITORS AND CERTAIN PRIORITY EMPLOYEE CLAIMS**

48. The Monitor is seeking the Court’s authorization to distribute an initial \$35.5 M from the funds held by the Monitor resulting from the Mach Transaction proceeds and the remaining cash on hand as of the closing date (collectively, the “**Collected Amount**”) to NBC, in its capacity as administrative agent, in partial repayment of amounts owing to the Lenders.
49. As of the date of the Initial Order, the Debtors owed the Lenders an amount in excess of \$125,6 M under the credit agreement, subject to adjustment, interest and fees.
50. The Monitor is also seeking the Court’s authorization to distribute approximately \$110 k from the Collected Amount to certain of the Debtors' employees that were either not retained by the Purchaser or that were retained but had amounts owed to them that were not to be assumed by the Purchaser, in respect of priority amounts owing to them for unpaid vacation pay and bonuses accumulated in the six (6) months preceding the filing of the NOI Proceedings. These amounts represent a priority claim pursuant to paragraph 36(7) of the CCAA.
51. Additionally, pursuant to the ARIO, the Monitor will set aside an amount of \$257,946 from the Collected Amount as a reserve in respect of the amounts allegedly owing to OEC by the Debtors, which pre-filing amounts would be allegedly secured pursuant to an alleged right of retention (the “**OEC Reserve**”). This reserve will be held until a settlement is reached with OEC or until further order of this Court.
52. After considering the amount due to the Lenders, the priority claim of certain employees of the Debtors’ and the OEC Reserve, the Monitor is of the view that the proposed distribution will not prejudice the interests of unsecured creditors.



## **THE MONITOR'S OBSERVATIONS AND RECOMMENDATIONS WITH RESPECT TO THE RELEASES SOUGHT AS PART OF THE APPROVAL**

53. The Second ARIQ seeks the release and discharge of the DIP Charge and the KERP Charge.
54. The Monitor has fulfilled its obligations under the KERP, having duly paid all amounts due to the beneficiaries thereunder.
55. Furthermore, on June 13, 2025, the Monitor paid all outstanding amounts owed under the DIP facility.
56. Based on the above, the Monitor submits that it is appropriate and reasonable to terminate and release the KERP Charge and the DIP Charge.

## **THE APPLICATION FOR AN EXTENSION OF THE STAY OF PROCEEDINGS**

57. Pursuant to the Stay Extension Order, the Stay Period is currently set to expire on August 11, 2025. The Monitor is seeking an extension of the Stay Period to November 30, 2025, as part of the Second ARIQ.
58. An extension of the Stay Period is necessary to allow the Monitor to pursue its efforts in connection with the GSI SISP, with the objective of identifying a successful bidder within the timelines outlined in the Fourth Report. The Monitor is committed to moving forward with the GSI SISP in a timely and efficient manner.
59. As previously noted, based on the July Cash Flow, the Monitor is of the view that the Debtors will have sufficient cash flow to meet their obligations during the Stay Period. Furthermore, the Monitor believes that an extension of the Stay Period is in the best interest of all stakeholders, as it will provide the necessary time and stability to complete the GSI SISP and achieve a successful outcome.
60. In light of these considerations, the Monitor respectfully submits that an extension of the Stay Period is justified and recommends that the Court grant an order extending the Stay Period until and including November 30, 2025, with the possibility of further extensions as the Court may deem appropriate.

## **UPCOMING RESTRUCTURING MEASURES**

61. It is anticipated that the next steps for the CCAA Proceedings are as follows:
  - (a) Finalize the agreement with GSI's minority shareholders;
  - (b) Launch the GSI SISP;
  - (c) Select a Successful Bid in the GSI SISP and negotiate definitive documentation related thereto, and seek Court approval in due course.

**THE MONITOR'S CONCLUSIONS AND RECOMMENDATIONS ON THE APPLICATION FOR AN APPROVAL AND DISTRIBUTION ORDER AND AN EXTENSION OF THE STAY OF PROCEEDINGS**

62. In light of the foregoing, the Monitor respectfully recommends that the Court approve the release and discharge of the KERP Charge and the DIP Charge, as sought in the Second ARIO.
63. The Monitor is also of the view that the extension of the Stay Period up to November 30, 2025, is appropriate and necessary to allow the Debtors to pursue the GSI SISP.

The Monitor respectfully submits to the Court its Fourth Report.

DATED AT MONTREAL, this 6<sup>th</sup> day of August 2025

**FTI Consulting Canada Inc.**

In its capacity as Monitor of the Debtors



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Martin Franco, CPA, CIRP, LIT  
Senior Managing Director

## Appendix A

<b>Pelican International Inc., Pelican US Topco LLC &amp; Confluence Outdoor Inc.</b> <b>Budget to Actual</b> <b>in thousands of \$CAD</b>	<b>For the 13-week period ended July 20, 2025</b>		
	<b>Actual</b> <b>\$</b>	<b>Budget</b> <b>\$</b>	<b>Variance</b> <b>\$</b>
<b>Receipts</b>			
Accounts receivable - opening balance	1,215	1,132	83
Sales	208	335	(127)
Extension fees charged to purchaser	129	-	129
Proceeds from sale of assets - Pelican/Confluence	42,000	-	42,000
Interest	90	-	90
Other	22	-	22
<b>Total receipts</b>	<b>43,664</b>	<b>1,467</b>	<b>42,197</b>
<b>Disbursements</b>			
Raw material purchases	319	636	317
Overhead	155	186	31
Distribution expenses	253	336	83
Sales, general & admin. expenses	43	141	98
Payroll	726	891	165
Commissions	-	13	13
Rent	115	138	23
Professional fees	1,702	2,628	926
KERP	521	495	(26)
DIP interests	79	42	(37)
DIP fee	2	-	(2)
Foreign exchange loss (gain)	33	-	(33)
<b>Total disbursements</b>	<b>3,948</b>	<b>5,506</b>	<b>1,558</b>
<b>Net cash variance</b>	<b>39,716</b>	<b>(4,039)</b>	<b>43,755</b>
DIP funding/(reimbursement)	(3,100)	-	(3,100)
Cash balance at beginning	4,943	4,943	-
<b>Cash balance at end</b>	<b>41,559</b>	<b>904</b>	<b>40,655</b>

## Appendix B

Pelican International Inc. - Consolidated  
CCAA CFF  
in thousands of \$CAD

Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
Week starting	Jul.21/ 25	Jul.28/ 25	Aug.4/ 25	Aug.11/ 25	Aug.18/ 25	Aug.25/ 25	Sep.1/ 25	Sep.8/ 25	Sep.15/ 25	Sep.22/ 25	Sep.29/ 25	Oct.6/ 25	Oct.13/ 25	Oct.20/ 25	Oct.27/ 25	Nov.3/ 25	Nov.10/ 25	Nov.17/ 25	Nov.24/ 25	
Week ending	Jul.27/ 25	Aug.3/ 25	Aug.10/ 25	Aug.17/ 25	Aug.24/ 25	Aug.31/ 25	Sep.7/ 25	Sep.14/ 25	Sep.21/ 25	Sep.28/ 25	Oct.5/ 25	Oct.12/ 25	Oct.19/ 25	Oct.26/ 25	Nov.2/ 25	Nov.9/ 25	Nov.16/ 25	Nov.23/ 25	Nov.30/ 25	19 weeks Total
<i>Receipts</i>																				
Interest	99.1	76.8	-	-	-	-	31.4	-	-	-	-	-	-	-	-	-	-	-	-	207.3
<b>Total receipts</b>	<b>99.1</b>	<b>76.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207.3</b>
<i>Disbursements</i>																				
Professional fees	-	119.8	196.7	125.0	125.0	90.0	200.0	170.0	130.0	95.0	135.0	140.0	140.0	140.0	455.0	135.0	155.0	35.0	50.0	2,636.5
Employees priority claim	-	-	-	-	-	110.0	-	-	-	-	-	-	-	-	-	-	-	-	-	110.0
Distribution to secured creditors	-	-	-	35,500.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,500.0
<b>Total disbursements</b>	<b>-</b>	<b>119.8</b>	<b>196.7</b>	<b>35,631.0</b>	<b>125.0</b>	<b>200.0</b>	<b>200.0</b>	<b>170.0</b>	<b>130.0</b>	<b>95.0</b>	<b>135.0</b>	<b>140.0</b>	<b>140.0</b>	<b>140.0</b>	<b>455.0</b>	<b>135.0</b>	<b>155.0</b>	<b>35.0</b>	<b>50.0</b>	<b>38,246.5</b>
<b>Net cashflow</b>	<b>99.1</b>	<b>(43.0)</b>	<b>(196.7)</b>	<b>(35,631.0)</b>	<b>(125.0)</b>	<b>(200.0)</b>	<b>(168.6)</b>	<b>(170.0)</b>	<b>(130.0)</b>	<b>(95.0)</b>	<b>(135.0)</b>	<b>(140.0)</b>	<b>(140.0)</b>	<b>(140.0)</b>	<b>(455.0)</b>	<b>(135.0)</b>	<b>(155.0)</b>	<b>(35.0)</b>	<b>(50.0)</b>	<b>(38,039.2)</b>
Cash balance at beginning	41,559.0	41,658.1	41,615.1	41,418.4	5,787.4	5,662.4	5,462.4	5,293.8	5,123.8	4,993.8	4,898.8	4,763.8	4,623.8	4,483.8	4,343.8	3,888.8	3,753.8	3,598.8	3,563.8	41,559.0
<b>Cash balance at end</b>	<b>41,658.1</b>	<b>41,615.1</b>	<b>41,418.4</b>	<b>5,787.4</b>	<b>5,662.4</b>	<b>5,462.4</b>	<b>5,293.8</b>	<b>5,123.8</b>	<b>4,993.8</b>	<b>4,898.8</b>	<b>4,763.8</b>	<b>4,623.8</b>	<b>4,483.8</b>	<b>4,343.8</b>	<b>3,888.8</b>	<b>3,753.8</b>	<b>3,598.8</b>	<b>3,563.8</b>	<b>3,513.8</b>	<b>3,513.8</b>

## **APPENDIX B**

### **NOTE A – PURPOSE**

The purpose of this cash-flow projection is to determine the liquidity requirements of the Debtors during the Stay Period.

### **NOTE B - GENERAL**

The July CF Forecast has been prepared by the Monitor with the support of certain former Management of the Debtors using probable and hypothetical assumptions set out in the notes to the July CF Forecast.

The Monitor's review of the July CF Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by certain former Management. Since the hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the July CF Forecast.

### **NOTE C - DEFINITIONS**

#### **(1) CASH-FLOW FORECAST:**

In respect of a Company, means a statement indicating, on a weekly basis (or such other basis as is appropriate in the circumstances), the projected cash-flow of the Company as defined in section 2(1) of the Act based on Probable and Hypothetical Assumptions that reflect the Debtors planned course of action for the period covered.

#### **(2) HYPOTHETICAL ASSUMPTIONS:**

Means assumptions with respect to a set of economic conditions or courses of action that are not necessarily the most probable in the Debtors' judgment but are consistent with the purpose of the July CF Forecast.

#### **(3) PROBABLE ASSUMPTIONS:**

Means assumptions that:

- (i) The Debtors believe reflect the most probable set of economic conditions and planned courses of action, Suitably Supported that are consistent with the plans of the Debtors; and
- (ii) Provide a reasonable basis for the July CF Forecast.

#### **(4) SUITABLY SUPPORTED:**

Means that the Assumptions are based on either one or more of the following factors:

- (i) The past performance of the Debtors;
- (ii) The performance of other industry/market participants engaged in similar activities as the Debtors;
- (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.

**NOTE C – ASSUMPTIONS**

<b>Assumptions</b>	<b>Source</b>	<b>Probable Assumption</b>	<b>Hypothetical Assumption</b>
<b><u>Cash balance at beginning</u></b>	Based on current bank balances.	X	
<b><u>Forecast cash receipts</u></b>			
Interest	Based on the latest interest rate and the forecasted reserve account balance.		X
<b><u>Forecast cash disbursements</u></b>			
Professional fees	Monitor's estimate of professional fees to be incurred in the forecasted period for the monitor, the monitor's legal counsels, the GSI SISP Advisor, and the Applicant's legal counsel. Please note that the professional fees in relation with the GSI SISP will be assumed by GSI either from their current liquidity or out of the sale proceeds.		X
Employees' priority claim	Based on the amount due to certain of the Debtors' employees in respect of priority amounts owing to them for unpaid vacation and bonuses accumulated in the six (6) month period preceding the filing of the NOI Proceedings	X	
Distribution to the secured creditors	In accordance with the proposed Distribution Order.		X