

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2668916

- FORM 30 -
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Red Dog Deli Raw Food Company Inc.
of the City of Port Coquitlam, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

The Management of Red Dog Deli Raw Food Company Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 31st day of August 2020, consisting of projected cash flow over the next 13 weeks.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vancouver in the Province of British Columbia, this 9th day of September 2020.

K Fraser

Red Dog Deli Raw Food Company Inc.
Debtor

Karen Fraser, Officer

Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2668916

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the matter of the proposal of
Red Dog Deli Raw Food Company Inc.
of the City of Port Coquitlam, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Cash Flow Statement for the week ending November 27, 2020 is to enable the creditors of Red Dog Deli Raw Food Company Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

1. The cash flow statement is to be read in conjunction with the attached Form 30 – Report on Cash flow statement by the Person Making the Proposal and Form 29 – Trustee’s Report on Cash flow statement.

The projection has been prepared solely for the purpose of evaluating the currently expected ability of the Company to fund the business activities as set out herein and noted in the assumptions set forth below:

Readers are cautioned that it may not be appropriate for other purposes.

2. The cash flow statement is presented on an aggregate basis from August 31, 2020, the date of filing the Notice of Intention To Make a Proposal, to November 27, 2020 and on a weekly basis and represents management’s best estimates of the expected results of operations during the period.

3. Revenue projection is based on management’s estimated production planning and actual sales orders.

4. Accounts receivable collection is based on existing sales terms, and it was assumed that there would be no collection issues.

5. Government grants are based on grants already approved.

6. Production and office related expenses include purchases for production and were calculated by management based on 54% of sales.

7. Payments to critical suppliers are subject to Court approval.

8. All employees are expected to be paid based on their current remuneration levels.

9. Payroll remittances including source deductions, health tax and employer contributions for Employment insurance and Canada Pension Plan.

10. Legal, Trustee and other professional fees are estimates.

Dated at the City of Vancouver in the Province of British Columbia, this 9th day of September 2020.

K Fraser

Red Dog Deli Raw Food Company Inc.