



No.S241161  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

**BETWEEN:**

**THE BANK OF NOVA SCOTIA**

**PETITIONER**

**AND:**

**BIFANO CONSOLIDATED INC.,  
BIFANO FARMS INC., NATA FARMS INC.,  
SSC VENTURES (NO. 105) LTD. and  
SPALLUMCHEEN FARM LTD.**

**RESPONDENTS**

**SECOND REPORT OF THE MONITOR  
ALVAREZ & MARSAL CANADA INC.**

**May 16, 2024**



**ALVAREZ & MARSAL**

## TABLE OF CONTENTS

1.0	INTRODUCTION .....	- 3 -
2.0	PURPOSE OF THIS REPORT .....	- 4 -
3.0	TERMS OF REFERENCE .....	- 4 -
4.0	UPDATE ON BUSINESS OPERATIONS AND RESTRUCTURING EFFORTS.....	- 5 -
5.0	ACTIVITIES OF THE MONITOR .....	- 6 -
6.0	CASH FLOW VARIANCE ANALYSIS .....	- 7 -
7.0	THIRD CCAA CASH FLOW STATEMENT.....	- 9 -
8.0	SALES AND INVESTMENT SOLICITATION PROCEDURES.....	- 12 -
9.0	EXTENSION OF THE STAY PERIOD.....	- 13 -
10.0	MONITOR'S RECOMMENDATION .....	- 14 -

## APPENDICES

**Appendix A** – Third CCAA Cash Flow Forecast for the Period Ending August 18, 2024

## 1.0 INTRODUCTION

- 1.1 On February 28, 2024 (the “**Filing Date**”), the Bank of Nova Scotia (the “**Petitioner**”) sought and was granted an initial order (the “**Initial Order**”), by the Supreme Court of British Columbia (the “**Court**”) to commence proceedings (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the “**CCAA**”) in respect of Bifano Consolidated Inc. (“**Bifano Consolidated**”), Bifano Farms Inc. (“**Bifano Farms**”), Spallumcheen Farm Ltd. (“**Spallumcheen**”), Nata Farms Inc. (“**Nata**”) and SSC Ventures (No. 105) Ltd. (“**SSC**”) and together with Nata, Spallumcheen, Bifano Farms and Bifano Consolidated, “**Bifano**”), a group of privately held companies that operate a dairy farm and trucking business in Armstrong, British Columbia.
- 1.2 The Initial Order provided for, among other things, an initial stay of proceedings against Bifano and its assets and property until and including March 11, 2024 (the “**Stay Period**”) and the appointment of Alvarez & Marsal Canada Inc. (“**A&M**”) as monitor of Bifano (the “**Monitor**”) during the CCAA Proceedings.
- 1.3 On March 11, 2024, the Court granted an amended and restated initiated order (the “**ARIO**”) which amended and restated the Initial Order to:
- a) increase the amount authorized to be borrowed (the “**Interim Facility**”) by Bifano under the Interim Credit Agreement (as defined in the Initial Order) to \$1.5 million;
  - b) confirm the priority of Court ordered charges made in the CCAA Proceedings; and
  - c) extend the Stay Period from March 11, 2024 to May 24, 2024.
- 1.4 In addition to the approval of the ARIO, the Court granted an Order (the “**SISP Order**”), which approved the sales and investment solicitation procedures for a process (the “**Sales Process**”) in respect of Bifano’s business and assets.
- 1.5 The Monitor has prepared this second report (the “**Second Report**”) in support of an application to be scheduled on May 21, 2024 to extend the Stay Period until and including August 15, 2024 (the “**Stay Extension Application**”).
- 1.6 Further information regarding the CCAA Proceedings, including the ARIO, various affidavits, and all other Court filed documents, communications and notices as of even date, are available on the Monitor’s website at [www.alvarezandmarsal.com/BifanoNata](http://www.alvarezandmarsal.com/BifanoNata) (the “**Monitor’s Website**”).

## **2.0 PURPOSE OF THIS REPORT**

2.1 The Monitor prepared the Second Report to provide information and commentary to this Honourable Court and Bifano's stakeholders with respect to the following:

- a) an update on the business operations and restructuring efforts since the First Report of the Monitor dated March 7, 2024 (the "**First Report**");
- b) the activities of the Monitor since the ARIO was granted;
- c) a comparison of actual cash receipts and disbursements of Bifano as compared to the cash flow forecast set out in the First Report (the "**Second CCAA Cash Flow Forecast**") for the period March 4, 2024 to May 5, 2024;
- d) an updated cash flow forecast (the "**Third CCAA Cash Flow Forecast**") for the period of May 6, 2024 to August 18, 2024;
- e) an update on the Sales Process; and
- f) the Stay Extension Application and the Monitor's recommendation in connection therewith.

2.2 This Second Report should be read in conjunction with the Stay Extension Application, the Petition filed by the Petitioner on February 20, 2024, the pre-filing report of the Proposed Monitor dated February 16, 2024 and the First Report (collectively, the "**Filed Materials**"). Capitalized terms used but otherwise not defined herein have the meaning given in the Filed Materials.

## **3.0 TERMS OF REFERENCE**

3.1 In preparing this Second Report, the Monitor has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by the principal shareholder and the management of Bifano ("**Management**"). Although this information has been subject to its review, the Monitor has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management. Accordingly, the Monitor expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained herein, or otherwise used to prepare this Second Report.

3.2 Certain of the information referred to in this Second Report consists of financial forecasts and/or projections (and certain operating assumptions underlying same) as well as financial information provided by Management. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon

assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projections and any variations could be material.

- 3.3 Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.

#### **4.0 UPDATE ON BUSINESS OPERATIONS AND RESTRUCTURING EFFORTS**

##### **Review of Business Operations**

- 4.1 Since the First Report, Management, in conjunction with the Monitor, assessed Bifano's overall business operations with a view to streamlining the business and discontinuing those business activities that did not generate sufficient net cash flows and/or did not warrant continuation of high debt servicing costs. As a result:

- a) effective March 15, 2024, Bifano halted most of its trucking operations (the "**Ceased Trucking Operations**") with the exception of its sawdust and ash trucking business (the "**Sawdust and Ash Trucking Business**"), which upon review, Management and the Monitor determined was a net benefit to Bifano as a result of incremental positive cash flow and providing sawdust that is required in Bifano's dairy operations (the "**Dairy Operations**"); and
- b) a total of 46 employees of Nata have been terminated.

- 4.2 To sustain the Sawdust and Ash Trucking Business and the Dairy Operations, Management identified certain leased equipment required for these businesses and initiated negotiations with Bifano's lessors to retain such equipment.

##### **Release of Leased Equipment**

- 4.3 The Monitor's counsel conducted a security review of security held by equipment lessors with respect to the leased equipment used in the Ceased Trucking Operations. Upon review of this security, the Monitor determined that there was no equity available with respect to this leased equipment and Management, with the assistance of the Monitor, is currently in the process of returning this equipment, consisting of approximately 115 trucks and trailers, to various lessors.

##### **Commencement of Sales Process**

- 4.4 Pursuant to the SISP Order, the Monitor, with input from Management, prepared a teaser letter, confidentiality agreement and asset purchase agreement (the "**APA**"), which was distributed to potential interested parties on March 15, 2024. Refer to Section 8 of this report for further information regarding the Sales Process and SISP (defined herein).

### **Normalization of Supplier Relations and Business Operations**

- 4.5 Since the Filing Date, the Monitor has been assisting Management with various discussions with suppliers (feed, fuel and equipment) to communicate the impacts of the CCAA Proceedings and to arrange for the continuation of services to Bifano during the CCAA Proceedings.
- 4.6 Management, with the assistance of the Monitor, transitioned some of the shuttered trucking operations to a new third-party trucking operation and assisted in the negotiation with lessors for Bifano to retain a total of 81 pieces of leased equipment to be used in the Dairy Operations and Sawdust and Ash Trucking Business.

### **Managed Quota**

- 4.7 The Monitor reviewed the managed quota agreements and confirmed the quota holdings of SSC and recalculated the monthly managed quota fee per managed quota holder.
- 4.8 By letters dated March 28, 2024, the Monitor advised each managed quota holder of these CCAA Proceedings, and provided the Monitor's calculation of each managed quota holder's monthly managed quota fee, explained the Stay Period, confirmed any pre-filing amounts outstanding and informed them that post filing amounts would be paid monthly in accordance with the Monitor's calculation of their monthly managed quota fee.

## **5.0 ACTIVITIES OF THE MONITOR**

- 5.1 The activities of the Monitor since the date of the First Report include the following:

### **Monitoring of Cash Receipts and Disbursements**

- a) reviewing the daily cash receipts and disbursements of Bifano, reconciled to the bank statements;
- b) preparing weekly variance reporting of actual receipts and disbursements;
- c) reviewing Bifano's disbursements;
- d) on-going dialogue and consultation with the Interim Lender (also the Petitioner) in respect of cash management;

### **The Ceased Trucking Operations**

- e) as noted in section 4.3, the Monitor assisted in the release of redundant leased equipment after confirming no residual equity therein;
- f) verifying the existence of leased assets through inspection of VIN numbers against listings provided by Management;

- g) in conjunction with Management, assisting with the review of the assets required for the ongoing operations;
- h) coordinating with Management and various lessors regarding on-going use of certain leased equipment necessary for the Dairy Operations and the Sawdust and Ash Trucking Operations;
- i) reviewing insurance policies and certifications to ensure adequate coverage is in place for the Dairy Operations and the Sawdust and Ash Trucking Operations and cancel ICBC coverage no longer required;
- j) working with Management to track trucking activity costs such as fuel and mechanic time incurred during the transition of the trucking operations;

#### **Sales Process**

- k) preparing sale teaser and populating the data room;
- l) distributing teaser documents and confidentiality agreements to potential interested parties;
- m) preparing the APA and uploaded it to the data room;
- n) corresponding with interested parties regarding the Sales Process and Procedures;
- o) attending Bifano for site visits with interested parties;

#### **Preparation of Various CCAA Cash Flow Forecasts**

- p) in consultation with Management, updating the 13-week cash flow forecast on a weekly basis;
- q) preparing the Third CCAA Cash Flow Forecast;

#### **Statutory Duties of the Monitor and Statutory Creditors**

- r) updating the Monitor's website as required;
- s) drafting this Second Report; and
- t) reviewing monthly payroll remittances to the Canada Revenue Agency.

### **6.0 CASH FLOW VARIANCE ANALYSIS**

- 6.1 As part of the ongoing monitoring activities of the business and financial affairs of Bifano, the Monitor has established a protocol to compare actual cash flows against the Second CCAA Cash Flow Forecast.
- 6.2 Bifano's actual cash receipts and disbursements compared to the Second CCAA Cash Flow Forecast during the period of March 4 to May 5, 2024 (the "**Reporting Period**") are summarized below:



**Bifano Consolidated Inc. et al.**  
**Cash Flow Variance Analysis**  
**For Nine Week Period from March 4, 2024 to May 5, 2024**  
**\$C,100,000**

	Actual	Forecast	Variance
<b>Cash operating receipts</b>			
Dairy - BCMMB	\$ 1,013	\$ 1,000	\$ 13
Custom / contract farming	468	180	288
Trucking receipts	1,525	536	989
	<b>3,007</b>	<b>1,716</b>	<b>1,291</b>
<b>Cash operating disbursements</b>			
Payroll costs	1,073	1,068	5
Fuel	379	277	102
Feed	631	615	16
Sawdust	101	120	(19)
Repairs and maintenance	-	-	-
Other (vet, supplies, quota rental)	375	353	22
Leases	223	35	187
Utilities	12	53	(41)
Insurance	102	146	(44)
Contingency	-	267	(267)
	<b>2,897</b>	<b>2,933</b>	<b>(36)</b>
<b>Net operating cash flow</b>	<b>110</b>	<b>(1,217)</b>	<b>1,327</b>
<b>Other cash disbursements</b>			
Professional fees	597	565	32
Interim Lending Facility - commitment fee	-	20	(20)
Interim Lending Facility - interest	-	7	(7)
	<b>597</b>	<b>592</b>	<b>5</b>
<b>Net cash flow (deficit)</b>	<b>\$ (488)</b>	<b>\$ (1,810)</b>	<b>\$ 1,322</b>
<b>Cash continuity</b>			
Opening cash balance	\$ 694	\$ 694	\$ -
Interim Lending Facility draw	200	1,250	(1,050)
Net cash flow (deficit)	(488)	(1,810)	1,322
<b>Ending cash balance</b>	<b>\$ 406</b>	<b>\$ 134</b>	<b>\$ 272</b>
<b>Interim Lending Facility</b>			
Opening balance	-	-	-
Draws (repayments)	200	1,250	(1,050)
<b>Ending Interim Lending Facility balance</b>	<b>\$ 200</b>	<b>\$ 1,250</b>	<b>\$ (1,050)</b>

6.3 During the Reporting Period, Bifano experienced a net favourable cash flow variance of approximately \$1.3 million. The principal components of the variance are described as follows:

**Receipts**

- collections from custom and contract farming receivables were approximately \$288,000 higher than forecast primarily due to higher than forecast ash receipts;
- cash receipts from the trucking operation that was shuttered on or around March 15, 2024, were approximately \$989,000 higher than forecast due to higher than anticipated collections of the pre-filing and post filing receivables. Upon filing the CCAA, there was some uncertainty as to the collectability of certain trucking revenues and the potential for set-off by certain trucking customers for damages or costs associated with the interruption in the



deliveries. As a result, outstanding collections from trucking customers were forecast conservatively at the onset of the CCAA;

**Disbursements**

- c) fuel was approximately \$102,000 higher than forecast due to higher usage rates and a delay in a reimbursement of \$59,000 from third parties who purchase surplus fuel to be received in the week ending May 19, 2024;
- d) lease payments were approximately \$187,000 higher than forecast as the forecast did not contemplate all the leased equipment required by Bifano to maintain the Dairy Operations and the Sawdust and Ash Trucking Operations;
- e) utilities were approximately \$41,000 lower than forecast due to lower than anticipated usage rates; and
- f) insurance was approximately \$44,000 lower than forecast due to the cancellation of select ICBC insurance policies earlier than anticipated.

- 6.4 Advances under the Interim Facility were approximately \$1.1 million less than forecast due to the favourable net cash flow over the period.

**7.0 THIRD CCAA CASH FLOW STATEMENT**

- 7.1 Management with the assistance of the Monitor, has prepared the Third CCAA Cash Flow Forecast on a weekly basis for the period from May 6, 2024 to August 18, 2024 (the “**Forecast Period**”). A copy of the Third CCAA Cash Flow Forecast with accompanying notes and assumptions is attached hereto as Appendix “A” and is summarized below:

Bifano Consolidated Inc. et al. Third CCAA Cash Flow Forecast For the 15-week period ending August 18, 2024 (\$' 1000)	
<b>Cash operating receipts</b>	
Dairy - BCMMB	\$ 1,507
Custom/ contract farming	825
Trucking receipts	63
	<u>2,395</u>
<b>Cash operating disbursements</b>	
Payroll costs	734
Fuel	290
Feed	673
Sawdust	121
Repairs and maintenance	82
Other (vet, supplies, quota rental)	523
Leases	364
Utilities	48
Insurance	160
Contingency	130
	<u>3,126</u>
<b>Net operating cash flow</b>	<u>(731)</u>
<b>Other cash disbursements</b>	
Professional fees	784
Interim Lending Facility - commitment fee	20
Interim Lending Facility - interest	15
	<u>819</u>
<b>Net cash flow (deficit)</b>	<u>\$ (1,550)</u>
<b>Cash continuity</b>	
Opening cash balance	\$ 406
Interim Lending Facility draw	1,200
Net cash flow (deficit)	(1,550)
<b>Ending cash balance</b>	<u>\$ 56</u>
<b>Interim Lending Facility</b>	
Opening balance	200
Draws (repayments)	1,200
<b>Ending Interim Lending Facility balance</b>	<u>\$ 1,400</u>

- 7.2 The Monitor's review of the Third CCAA Cash Flow Forecast consisted of inquiries, analytical procedures, and discussion related to information supplied to it by Management. Since hypothetical assumptions need not be supported, the procedures with respect to them were limited to evaluating whether they were consistent with the purposes of the Third CCAA Cash Flow Forecast. Where possible, the Monitor also reviewed the support provided by Management for the probable assumptions and the preparation and presentation of the Third CCAA Cash Flow Forecast.
- 7.3 Based on the Monitor's preliminary review of information supporting the Third CCAA Cash Flow Forecast, nothing has come to its attention that causes A&M to believe that, in any material respects:
- a) the hypothetical assumptions are not consistent with the purpose of the Third CCAA Cash Flow Forecast;

- b) as at the date of this Second Report, the probable assumptions developed primarily by Management and the Monitor, are not suitably supported and consistent with the operations of the Company or do not provide a reasonable basis for the Third CCAA Cash Flow Forecast, given the hypothetical assumptions; or
- c) the Third CCAA Cash Flow Forecast does not reflect the probable and hypothetical assumptions.

7.4 During the Forecast Period the Monitor projects a net cash outflow from operations of \$1.6 million, the composition of which, includes the following:

#### **Receipts**

- a) dairy receipts of \$1.5 million reflects the assumption that Bifano continues to collect regular receipts from BCMMB based on approximately 900kg/day of milk quota;
- b) custom/contract farming receipts of \$825,000 consist of ongoing sawdust and ash deliveries and collections from 2024 seasonal contract farming work;
- c) trucking receipts of \$63,000 represents a fuel reimbursement due to the trucking wind-down transition;

#### **Disbursements**

- d) payroll costs of \$734,000 includes wages for the Dairy Operations, contract farming operations, and Sawdust and Ash Trucking Business, as well as regular remittance of employee source deductions;
- e) fuel costs of \$290,000 represents the costs required to sustain the Dairy Operations, contract farming operations, and Sawdust and Ash Trucking Business;
- f) feed costs of \$673,000 include weekly feed supplier shipments;
- g) sawdust costs of \$121,000 include amounts used in the Dairy Operations as well as sawdust that is purchased and re-sold to other farmers in the region;
- h) repairs and maintenance cost of \$82,000 includes amounts for routine equipment/infrastructure repairs and maintenance required over the Forecast Period;
- i) other costs of \$523,000 include monthly payments to third party milk quota holders, dairy operation supplies, and veterinary costs;
- j) lease costs of \$364,000 include regular monthly payments for leased equipment, office leases, equipment rentals and land leases;

k) professional fees of \$784,000 include the Monitor and its counsel, Bifano's counsel, and the Petitioner's counsel; and

l) the costs associated with the Interim Credit Agreement include a \$20,000 commitment fee and monthly interest costs over the Forecast Period.

7.5 During the Forecast Period, the Third CCAA Cash Flow Forecast indicates that a total of \$1.2 million will be required and advanced pursuant to the Interim Credit Agreement.

## **8.0 SALES AND INVESTMENT SOLICITATION PROCEDURES**

8.1 As indicated in the First Report, the Monitor in conjunction with the Petitioner developed the Sales Process and the sale and investment solicitation procedures ("SISP"). A copy of the SISP is attached to the First Report.

8.2 During the Sales Process, the Monitor distributed a teaser letter and confidentiality agreement (the "Confidentiality Agreement") to 43 known potentially interested parties identified across Canada of which 10 parties signed the Confidentiality Agreement and were granted access to the Monitor's data room.

8.3 Over the course of the Sales Process the Monitor responded to various due diligence requests from interested parties and facilitated and attended site visits requested by the interested parties.

8.4 The SISP originally contemplated a bid deadline of April 19, 2024. Pursuant to the SISP, the Monitor is authorized to amend the terms of the SISP as appropriate. Based on feedback from interested parties the Monitor amended the target dates of the SISP, which are summarized below:

<b>Sales Process Milestone</b>	<b>Target Dates</b>
1. Bid Submission Deadline	May 10, 2024 (Previously April 19, 2024)
2. Selection of Successful Bidder	May 17, 2024 (Previously April 26, 2024)
3. Obtain Sales Approval Order	June 24, 2024 (Previously no later than May 24, 2024)
4. Outside Closing Date	July 19, 2024 (Previously no later than June 21, 2024)

8.5 The Monitor notified all interested parties of the amended SISP target dates and posted the amended timeline on the Monitor's Website.

8.6 The Monitor is currently in the process of reviewing multiple bids received on May 10, 2024, and that process is ongoing. The criteria that the Monitor is considering in its assessment of the bids received include the following:

- a) the purchase price and an analysis of the value provided;
- b) the terms and conditions of the bid;
- c) the ability of the bidder to successfully complete a transaction in a timely manner;
- d) how the bid impacts various stakeholders;
- e) whether the bid is “as is where is” or conditional;
- f) the estimated timeline to complete a transaction and costs associated with the timeline, including restructuring costs;
- g) the composition of the bid, including which assets are included or excluded from the bid; and
- h) a review of the circumstances of the bid to evaluate the likelihood of a successful transaction.

## **9.0 EXTENSION OF THE STAY PERIOD**

9.1 Pursuant to the ARIO, the Stay Period is set to expire on May 24, 2024. The Monitor is seeking an extension of the Stay Period to and including August 15, 2024, to allow sufficient time for Bifano and the Monitor to complete the Sales Process.

9.2 The Monitor is supportive of the Stay Extension Application for the following reasons:

- a) during the proposed extended Stay Period, Bifano and the Monitor will continue to advance the Sales Process and endeavor to bring forward a transaction under the Sales Process which will be to the satisfaction of Bifano, the Petitioner and the Monitor. The Monitor notes that the proposed extended Stay Period expires after the indicated amended outside closing date under the Sales Process. Should more time be needed to complete a satisfactory transaction, a further extension of the Stay Period may be sought and additional financing may be required to fund the CCAA Proceedings;
- b) as indicated in the Third CCAA Cash Flow Forecast, Bifano is expected to have sufficient liquidity to continue its operations in the ordinary course and continue to advance the Sales Process during the proposed extended Stay Period;
- c) no creditors of Bifano are expected to be materially prejudiced as a result of the proposed extension of the Stay Period; and
- d) to date, Bifano and Management have acted in good faith and with due diligence in these CCAA Proceedings.

9.3 The Petitioner and Bifano also support the Stay Extension Application.

**10.0 MONITOR'S RECOMMENDATION**

10.1 The Monitor respectfully recommends and supports the Stay Extension Application.

\*\*\*\*\*

All of which is respectfully submitted to this Honourable Court this 16th day of May, 2024.

**Alvarez & Marsal Canada Inc.,**  
in its capacity as Monitor of  
Bifano Consolidated Inc., Bifano Farms Inc.,  
Spallumcheen Farm Ltd., Nata Farms Inc.,  
and SSC Ventures (No. 105)  
and not in its personal capacity

*per: [Signature]*  
Per: Todd M. Martin  
Senior Vice President

**Appendix A – Third CCAA Cash Flow Forecast for the Period Ending August 18, 2024**



Bifano Consolidated Inc. et al.  
Third CCAA Cash Flow Forecast<sup>1</sup>  
For the 15-week period ending August 18, 2024  
in \$'000

Week Ending	Notes	Week 1 12-May	Week 2 19-May	Week 3 26-May	Week 4 02-Jun	Week 5 09-Jun	Week 6 16-Jun	Week 7 23-Jun	Week 8 30-Jun	Week 9 07-Jul	Week 10 14-Jul	Week 11 21-Jul	Week 12 28-Jul	Week 13 04-Aug	Week 14 11-Aug	Week 15 18-Aug	Total
<b>Cash operating receipts</b>																	
Dairy - BCMMB	2	\$ -	\$ 244	\$ -	\$ -	\$ 273	\$ -	\$ 250	\$ -	\$ 250	\$ -	\$ 250	\$ -	\$ 240	\$ -	\$ -	\$ 1,507
Custom / contract farming	3	79	22	45	29	15	21	105	111	73	16	10	116	118	16	50	825
Trucking receipts	4	-	63	-	-	-	-	-	-	-	-	-	-	-	-	-	63
		79	329	45	29	288	21	355	111	323	16	260	116	358	16	50	2,395
<b>Cash operating disbursements</b>																	
Payroll costs	5	18	51	15	39	103	15	68	40	118	-	29	114	10	93	19	734
Fuel	6	18	12	20	20	20	20	20	20	20	20	20	20	20	20	20	290
Feed	7	49	81	-	36	49	47	49	36	49	47	49	36	49	47	49	673
Sawdust	8	1	-	-	40	-	-	-	40	-	-	-	40	-	-	-	121
Repairs and maintenance	9	7	10	5	5	5	5	5	5	5	5	5	5	5	5	5	82
Other (vet, supplies, quota rental)	7	17	88	20	20	21	18	100	22	21	20	90	22	31	18	16	523
Leases	10	2	43	41	74	5	-	22	60	18	-	-	22	78	-	-	364
Utilities	7	-	-	1	3	12	1	-	2	4	11	-	1	4	10	1	48
Insurance	11	23	-	3	-	16	27	3	-	16	27	-	3	16	27	-	160
Contingency		-	-	10	10	10	10	10	10	10	10	10	10	10	10	10	130
		136	286	114	246	242	142	276	235	262	139	203	272	224	230	120	3,126
<b>Net operating cash flow</b>		(56)	43	(69)	(218)	46	(121)	79	(124)	60	(123)	57	(156)	133	(214)	(70)	(731)
<b>Other cash disbursements</b>																	
Professional fees	12	-	27	147	-	-	-	220	-	-	195	-	-	-	195	-	784
Interim Lending Facility - commitment fee	13	-	20	-	-	-	-	-	-	-	-	-	-	-	-	-	20
Interim Lending Facility - interest	14	-	-	2	-	-	-	4	-	-	-	-	9	-	-	-	15
		-	47	149	-	-	-	224	-	-	195	-	9	-	195	-	819
<b>Net cash flow (deficit)</b>		\$ (56)	\$ (3)	\$ (218)	\$ (218)	\$ 46	\$ (121)	\$ (145)	\$ (124)	\$ 60	\$ (318)	\$ 57	\$ (165)	\$ 133	\$ (409)	\$ (70)	\$ (1,550)
<b>Cash continuity</b>																	
Opening cash balance		\$ 406	\$ 350	\$ 347	\$ 204	\$ 186	\$ 232	\$ 186	\$ 141	\$ 167	\$ 228	\$ 109	\$ 166	\$ 201	\$ 334	\$ 126	\$ 406
Interim Lending Facility draw		-	-	75	200	-	75	100	150	-	200	-	200	-	200	-	1,200
Net cash flow (deficit)		(56)	(3)	(218)	(218)	46	(121)	(145)	(124)	60	(318)	57	(165)	133	(409)	(70)	(1,550)
<b>Ending cash balance</b>		\$ 350	\$ 347	\$ 204	\$ 186	\$ 232	\$ 186	\$ 141	\$ 167	\$ 228	\$ 109	\$ 166	\$ 201	\$ 334	\$ 126	\$ 56	\$ 56
<b>Interim Lending Facility</b>																	
Opening balance	13	200	200	200	275	475	475	550	650	800	800	1,000	1,000	1,200	1,200	1,400	200
Draws (repayments)		-	-	75	200	-	75	100	150	-	200	-	200	-	200	-	1,200
<b>Ending Interim Lending Facility balance</b>		\$ 200	\$ 200	\$ 275	\$ 475	\$ 475	\$ 550	\$ 650	\$ 800	\$ 800	\$ 1,000	\$ 1,000	\$ 1,200	\$ 1,200	\$ 1,400	\$ 1,400	\$ 1,400

**Bifano Consolidated Inc. et al.**  
**Third CCAA Cash Flow Forecast**  
**Notes and Assumptions**

1. **The Third CCAA Cash Flow Forecast ("CFF") presented herein has been prepared by Alvarez & Marsal Canada Inc. ("A&M") in its capacity as Monitor of Bifano Consolidated Inc. and certain related entities (collectively, "Bifano") for the 15 week period ending August 18, 2024. The CFF has been prepared by A&M to estimate and forecast the cash flow of Bifano during proceedings under the Companies' Creditors Arrangement Act ("CCAA").**

**The CFF has been prepared by A&M based on select unaudited financial information, underlying operating assumptions and other financial projections and analysis provided to A&M by Bifano representatives and Bifano's financial advisor. Readers are cautioned that since the CFF is based on certain assumptions regarding future events and conditions that are not ascertainable as of even date and, the actual operating results of Bifano during the pendency of the CCAA proceedings will vary from those forecast, and such variations may be material.**

**A&M makes no representations, warranties or other assurances that any of the estimates, forecasts, or projections reflected in the CFF will be realized. The CFF is premised on the assumption that Bifano continues to operate pursuant to the provisions of the CCAA and the terms of the Amended Restated Initial Order granted on March 11, 2024 (and as may be amended from time to time) and that financing is available to Bifano from an Interim Lending Facility provided by the Interim Lender.**

**The CFF is presented in thousands of Canadian dollars.**

2. Dairy (milk sales) receipts due from the BC Milk Marketing Board are expected to continue to be received on an uninterrupted basis and on the same trade terms and production calendar that was in effect prior to the commencement of CCAA proceedings. The forecast milk receipts reflect historical operating rates of the dairy operation with a daily milk quota of approximately 940 kg per day (including both owned and rented milk quota).
3. Custom/Contract farming receipts include collections from regular sawdust and ash deliveries, and from seasonal contract farming operations.
4. Trucking receipts include the collection on the remaining outstanding trade receivables. The CFF does not reflect any additional trucking receipts collections subsequent to Week 2.
5. Payroll costs are forecast on a steady state basis for the dairy operation, seasonal contract farming and sawdust and ash deliveries.
6. Fuel costs are forecast based on a steady state basis for the dairy operation, seasonal contract farming and sawdust and ash deliveries.
7. Feed, other costs (farm supplies, veterinary services, and dairy quota rental payments to third parties) and utilities expenses are forecast on a steady state basis for the dairy operation, seasonal contract farming and sawdust and ash deliveries.
8. Sawdust costs are forecast on a steady state basis for use by the dairy operation and to be on-sold to local farmers.
9. Repair and maintenance costs include routine repairs and maintenance required to maintain Bifano's equipment.
10. Leases represent payment of certain land leases, leased equipment, and for the main office building.
11. Forecast insurance cost reflects on-going premium payments in respect of property and general commercial liability insurance coverage and ICBC during the Forecast Period.
12. Professional fees for the Forecast Period include estimates of the fees of the Monitor and its legal counsel, the Petitioner's (Bank of Nova Scotia) legal counsel and legal counsel to Bifano.
13. The Interim Financing Agreement allows for total maximum advances of \$1.5 million and includes a commitment fee of \$20,000 that is expected to be paid in Week 2.
14. The terms of the Interim Financing Facility includes interest charged at an annual rate of 15% calculated daily and paid on the 22nd day of the month.