

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-2978830  
Estate No.: 31-2978830

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST  
(IN BANKRUPTCY)**

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
UNDER THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS  
AMENDED, OF WHYTE'S FOODS INC.

**UPDATE TO THE FIRST REPORT OF THE PROPOSAL TRUSTEE  
ALVAREZ & MARSAL CANADA INC.**

**September 14, 2023**

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## 1.0 INTRODUCTION

- 1.1 On August 23, 2023 (the “**Filing Date**”), Whyte’s Foods Inc. (“**Whyte’s**”, the “**Company**” or the “**Applicant**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act (Canada)*, R.S.C. 1985, c. B-3 (the “**BIA**”) and Alvarez & Marsal Canada Inc. was appointed as Proposal Trustee of the Company (the “**Proposal Trustee**”). These proceedings are referred to herein as the “**NOI Proceedings**”.
- 1.2 On August 31, 2023, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order (the “**Initial Order**”) which, among other things, (i) approved a sale and investment solicitation process (“**SISP**”) for a sale of or investment in the Company’s Business or Property (each as defined in the First Report of the Proposal Trustee dated August 30, 2023 (the “**First Report**”)); (ii) authorized and empowered the Applicant to obtain and borrow under a debtor-in-possession financing facility (the “**DIP Facility**”) provided by Wells Fargo Capital Finance Corporation Canada (“**Wells Fargo**”) pursuant to the Forbearance and Third Amendment to the Credit Agreement (the “**DIP Facility Agreement**”); and (iii) extended the time for the Applicant to file a proposal, and the corresponding stay of proceedings, until and including October 10, 2023 (the “**Stay Period**”).
- 1.3 In addition to providing comment on the relief sought by the Company, the First Report provided information regarding the ongoing dispute involving the purported termination by Smucker Foods of Canada Corp. (“**Smucker**”) of its supply agreement with the Company (the “**Smucker Dispute**”).
- 1.4 The purpose of this Update to the First Report (the “**First Report Update**”) is to update the Court on the resolution of the Smucker Dispute.

## 2.0 TERMS OF REFERENCE AND DISCLAIMER

- 2.1 In preparing this First Report Update, the Proposal Trustee has relied upon unaudited financial information prepared by the Company’s and Smucker’s

- respective representatives, the Company's books and records, discussions with the Company's representatives and its legal counsel (collectively, the "**Information**").
- 2.2 The Proposal Trustee has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposal Trustee has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**"), and accordingly, the Proposal Trustee expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.
- 2.3 Some of the information referred to in this First Report Update consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed. Future oriented financial information referred to in this First Report Update was prepared based on the Company's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
- 2.4 This First Report Update should be read in conjunction with the First Report and capitalized terms used but not defined herein shall have the meanings given to such terms in the First Report.
- 2.5 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

### **3.0 BACKGROUND INFORMATION**

- 3.1 At the time of filing the NOI, the Company and Smucker were parties to a supply agreement effective November 27, 2019 (the "**Supply Agreement**"), a multi-year

- contract whereby, among other things, Whyte's was contracted to produce and package products for Smucker.
- 3.2 As of the Filing Date, Smucker owed the Company approximately \$5.0 million in accounts receivable under the Supply Agreement (the "**Smucker Receivable**"). The Smucker Receivable represented over 60% of the Company's trade receivables from customers.
  - 3.3 The Company's cash forecast and the quantum and terms of the DIP Facility were premised on the assumption that Smucker would continue to take delivery of product and pay accounts receivable under the Supply Agreement without set-off or deduction during the Stay Period.
  - 3.4 On August 24, 2023, Whyte's informed Smucker of the commencement of these NOI Proceedings.
  - 3.5 On August 27, 2023, Smucker sent the Company a letter (the "**August 27 Letter**") purporting to terminate the Supply Agreement and demanding amounts allegedly owing by the Company to Smucker as a result of alleged breaches of the Supply Agreement (the "**Smucker Claims**"). Subsequently, Smucker informed the Company that no further product was to be delivered to Smucker by the Company as it would not be paid for.
  - 3.6 The Company disputed the validity of Smucker's purported termination of the Supply Agreement, both under the terms of the Supply Agreement and as a violation of the stay in these NOI Proceedings.
  - 3.7 On August 28, 2023, legal counsel to the Proposal Trustee responded to the August 27 Letter by, among other things, raising the effect of these NOI Proceedings and the BIA on Smucker's purported termination and demand, advising of the then-proposed SISP and indicating that the Proposal Trustee would assist the Company and Smucker in their efforts to find a mutually agreeable path forward.

#### 4.0 SETTLEMENT AGREEMENT

- 4.1 Since the date of the First Report, the Company, Smucker and the Proposal Trustee engaged in numerous discussions to resolve the Smucker Dispute. On September 7, 2023, a settlement agreement was reached between the Company and Smucker (the “**Settlement Agreement**”), with the support of the Senior Secured Lenders.
- 4.2 In summary, the Settlement Agreement provides that, among other things, (i) the Supply Agreement will terminate on October 10, 2023 (the “**Termination Date**”); (ii) Smucker will continue to make payments on the Smucker Receivable as amounts come due, up to a mutually agreed upon amount; (iii) the unpaid balance of the Smucker Receivable will be set-off against and satisfy the Smucker Claims; (iv) Smucker will continue to purchase and pay for products from the Filing Date to the Termination Date; and (v) the parties will execute a mutual release. The Settlement Agreement was executed without admission of liability and, as discussed below, will allow the Company to have sufficient forecasted liquidity during the Stay Period to pursue its restructuring.
- 4.3 The Proposal Trustee supports the Settlement Agreement for the following reasons:
- a) prior to finalizing the Settlement Agreement, Smucker provided the Proposal Trustee with certain financial and other supporting information relating to the quantum of the Smucker Receivable and the Smucker Claims;
  - b) the terms of the Settlement Agreement are the result of extensive negotiations between the Company and Smucker and represent the best outcome that the Company could negotiate in the circumstances in seeking a going-concern solution for its business;
  - c) the Proposal Trustee is of view that the terms of the Settlement Agreement are reasonable and balance the claims and interests of both parties equitably;

- d) as described above, without an expedited resolution to the Smucker Dispute, the Company may not have had sufficient liquidity to operate until the end of the Stay Period;
- e) the Settlement Agreement will allow for the continuation of an orderly SISF and NOI process;
- f) the Settlement Agreement will avoid the accrual of further legal and professional costs involved in resolving the Smucker Dispute; and
- g) Wells Fargo and Farm Credit Canada, (the “**Senior Secured Lenders**”) are supportive of the Settlement Agreement.

## **5.0 UPDATED CASH FLOW FORECAST**

5.1 The terms of the Settlement Agreement represent a material change to the underlying assumptions to the cash flow forecast as provided in the First Report.

5.2 The Company, with assistance from the Proposal Trustee, has prepared an updated cash flow forecast for the 7-week<sup>1</sup> period from August 21, 2023 to October 8, 2023 (the “**Updated Cash Flow Forecast**”).

5.3 A copy of the Updated Cash Flow Forecast, together with a summary of assumptions, management’s report on the Updated Cash Flow Forecast and the Proposal Trustee’s Report on the Updated Cash Flow Forecast are attached hereto as **Appendices “A”, “B” and “C”**, respectively.

5.4 The following table provides a summary of the Updated Cash Flow Forecast:

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<sup>1</sup> The Updated Cash Flow Forecast reflects actual results from August 21, 2023 to September 10, 2023 and forecast cash flows thereafter.

<b>Cash Flow Forecast</b>		<b>\$000's</b>
		<b>7-Week Total</b>
		<i>Oct 8</i>
		<hr/>
<b>Receipts</b>		
Accounts receivable collections		7,687
<b>Operating Disbursements</b>		
Payroll & benefits		(2,020)
Inventory		(3,690)
Facilities		(780)
Logistics		(543)
Warehouse		(116)
Administrative		(95)
Sales tax		(316)
		<hr/>
<b>Net Operating Cash Flow</b>		<b>127</b>
		<hr/>
Professional fees		(1,314)
Interest		(295)
DIP Fee		(75)
		<hr/>
<b>Net Cash Flow</b>		<b>(1,558)</b>
		<hr/>
Cash balance, opening		-
Net Cash Flow		(1,558)
Combined ABL and DIP Draw		1,558
		<hr/>
<b>Ending Cash Balance</b>		<b>-</b>
		<hr/>

5.5 The Proposal Trustee notes the following with respect to the Updated Cash Flow Forecast:

- (i) the Updated Cash Flow Forecast assumes that the Company will continue to operate in the normal course and reflects the terms of the Settlement Agreement; and
- (ii) during the 7-week forecast period, net cash flows are projected to be approximately negative \$1.6 million. This, coupled with projected changes

in the Company's borrowing base, indicate a peak DIP requirement of approximately \$2.7 million which is within the approved limit of the DIP Facility Agreement.

5.6 The Senior Secured Lenders issued approval letters dated September 7, 2023 approving the replacement of the Approved Cash Flow (as defined in the DIP Facility Agreement) with the Updated Cash Flow Forecast. Copies of the approval letters are attached hereto as **Appendices "D" and "E"**, respectively.

## **6.0 CONCLUSION**

6.1 For the reasons set out herein, the Proposal Trustee is in support of the Settlement Agreement.

All of which is respectfully submitted this 14<sup>th</sup> day of September 2023.

**ALVAREZ & MARSAL CANADA INC.,  
solely in its capacity as Trustee *in re* the Proposal of  
Whyte's Foods Inc.,  
and not in its corporate or personal capacity**



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**Per: Stephen Ferguson  
Senior Vice-President**

# Appendix “A”



**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE  
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, OF WHYTE'S  
FOODS INC.**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW FOR THE 7-WEEK  
PERIOD ENDING OCTOBER 8, 2023**

**A. Purpose and General Assumptions of the Cash Flow Statement**

1. Whyte's Foods Inc. (the "**Company**") has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the "**Cash Flow Statement**") in support of the proposal proceedings that has been filed under the Bankruptcy and Insolvency Act ("**BIA**") on August 23, 2023.

Alvarez & Marsal Canada Inc. is the Proposal Trustee in this matter (the "**Proposal Trustee**"). The Cash Flow Statement should be read in conjunction with the Report on Cash Flow Statement by the Company (Form 30 under the BIA), the Proposal Trustee's Report on Cash Flow Statement (Form 29 under the BIA), the Proposal Trustee's First Report to Court dated August 30th, 2023 (the "**First Report**") and the Proposal Trustee's Update to the First Report to Court dated September 14th, 2023 (the "**First Report Update**").

The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company's planned course of action for the period from August 21 to October 8, 2023 (the "**Cash Flow Period**"). Management is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.

The Cash Flow Statement has been developed pursuant to subsection 50 (6) of the BIA and is in support of these BIA proceedings. The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary.

This Cash Flow Statement should not be used for any other purpose, and creditors are cautioned that the information provided in the Cash Flow Statement could vary based on changing future circumstances.

The projected cash flow statement is prepared in Canadian dollars.

## **B. Hypothetical and Probable Assumptions of the Cash Flow Statement**

2. **AR Collections:** Account receivables collections are forecast based on the Company's accounts receivable ledger as of September 8, 2023. Forecast collections from Smucker Foods of Canada Corp. are in accordance with the terms of the Settlement Agreement (as defined in the First Report Update).
3. **Sales Tax Refunds:** Forecast receipts based on normal course excise tax refunds, exact timing of government receipts may be subject to processing delays.
4. **Payroll:** Payroll is administered by Nethris, a third-party service provider. Represents bi-weekly payroll to employees and monthly payroll to executives assuming all facilities operate in the normal course.
5. **Inventory:** Represents purchases for production raw materials and packaging, including certain payments to Critical Suppliers (as defined in the First Report) for certain pre-filing obligations. Assumes all facilities operate in the normal course.
6. **Facilities:** Represents disbursements related to operating the Company's manufacturing facilities in Wallaceburg, Ontario and St. Louis, Quebec, including maintenance, utilities and insurance. Assumes all facilities operate in the normal course.
7. **Logistics:** Represents payments to freight providers for customer and inter-site shipping. Assumes all facilities operate in the normal course.
8. **Warehouse:** Represents disbursements related to operating the Company's warehouse and distribution centre in St. Therese, Quebec. Assume facility operate in the normal course.
9. **Administrative:** Represents administrative and other general disbursements, including telephone, internet and other general expenses.
10. **Sales Tax:** Represents sales tax paid on taxable disbursements.
11. **Professional Fees:** Represents the ongoing professional fees and expenses of the Company's legal counsel and those of the Proposal Trustee and its legal counsel.
12. **Interest:** Represents interest payments to the Secured Senior Lenders as provided for by the DIP Facility Agreement (each as defined in the First Report)
13. **DIP Fee:** Represents a \$75,000 fee to the DIP Lender as provided for by the DIP Facility Agreement (each as defined in the First Report)

# Appendix “B”

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-2978830  
Estate No.: 31-2978830

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 NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE BANKRUPTCY AND INSOLVENCY ACT,  
R.S.C. 1985, c. B-3, AS AMENDED, OF WHYTE'S FOODS INC.

The management of Whyte's Foods Inc. (the "**Company**") has developed the assumptions and prepared the attached statement of projected cash flow of the Company, as of the 14th day of September 2023, consisting of a 7-week cash flow statement and accompanying notes and assumptions.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1 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 Notes 2-13 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 any other purposes.

Dated at Toronto, Ontario, this 14th day of September 2023.

DocuSigned by:

*Elizabeth Kawaja*

CC85D282C41E438...

Elizabeth Kawaja, President and CEO

# Appendix “C”

District of: Ontario  
Division No.: 09 - Toronto  
Court No.: 31-2978830  
Estate No.: 31-2978830

FORM 29

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

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, OF WHYTE'S FOODS INC.

The attached statement of projected cash flow of Whyte's Foods Inc., as of the 14th day of September, 2023, consisting of a 7-week cash flow statement and accompanying notes and assumptions, has been prepared by the management of the insolvent debtor for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2-13.

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

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

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

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

The projection has been prepared solely for the purpose described in Note 1, and readers are cautioned that it may not be appropriate for any other purpose.

Dated at Toronto, Ontario, this 14th day of September 2023.



Alvarez & Marsal Canada Inc., solely in its capacity  
as Trustee *in re* the Proposal of Whyte's Foods Inc.,  
and not in its corporate or personal capacity

Per: Stephen Ferguson, Senior Vice-President

# Appendix “D”



22 Adelaide Street West  
Suite 2200  
Toronto Ontario M5H 4E3

September 7, 2023

SENT BY EMAIL

Whyte's Foods Inc.  
Maison Gourmet Inc.  
Triak Capital Inc.  
Mario Saroli Inc.  
(collectively, the "**Loan Parties**")

Attention: Elizabeth Kawaja

**RE: Third Amendment to Credit Agreement and Forbearance dated as of August 22, 2023 (the "Third Amendment and Forbearance") by and among the Loan Parties and Wells Fargo Capital Finance Corporation Canada (the "Lender")**

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Capitalized terms used herein and not otherwise defined have the meaning provided to them in the Third Amendment and Forbearance Agreement.

The undersigned hereby confirms and agrees that the cash flow forecast attached as Schedule "1" hereto ("**Revised Cash Flow**") hereby replaces the cash flow set out in Schedule "2" of the Third Amendment and Forbearance Agreement, and the Revised Cash Flow shall be the "Approved Cash Flow" for the purposes of the Third Amendment and Forbearance and the Initial NOI Order of the Ontario Superior Court of Justice (Commercial List) granted on August 31, 2023.

Except as set out herein, the Third Amendment and Forbearance shall remain in full force and effect and be otherwise unaffected hereby.

Yours Truly,

**Carmela Massari** Digitally signed by Carmela Massari  
Date: 2023.09.11 07:48:57 -04'00'

**WELLS FARGO CAPITAL FINANCE CORPORATION CANADA**

Acknowledged and Agreed as of the date first written above.

**Whyte's Foods Inc.  
Maison Gourmet Inc.  
Triak Capital Inc.  
Mario Saroli Inc.**

DocuSigned by:  
  
Per: CC85D282C41E438  
Name: Elizabeth Anna Kawaja  
Title: President

**SCHEDULE "1" – REVISED CASH FLOW**  
(Attached)

Whyte's  
Cash Flow Forecast - Operating  
Revised DIP Cash Flow Forecast dated September 13, 2023  
C\$'000, Unaudited

Week Ending (\$'000)	Bids Due							Total
	Filing	Sale Process				Closing		
	Actual	Forecast						
27-Aug	3-Sep	10-Sep	17-Sep	24-Sep	1-Oct	8-Oct		
<b>Operating Receipts</b>								
AR Collections	644	525	246	1,950	586	1,786	1,950	7,687
Sales Tax Refund/Other Collections	-	-	-	-	-	-	-	-
	644	525	246	1,950	586	1,786	1,950	7,687
<b>Operating Disbursements</b>								
Payroll	543	8	366	139	460	35	470	2,020
Inventory	924	499	252	584	278	697	456	3,690
Facilities	45	-	-	265	125	145	200	780
Logistics	191	45	73	63	60	58	54	543
Warehouse	2	11	19	19	5	55	5	116
Administrative	0	-	-	14	72	9	0	95
Sales Tax Paid	-	-	53	106	52	59	46	316
	1,705	562	763	1,190	1,051	1,058	1,230	7,560
<b>Net Operating Cash Flow</b>	<b>(1,061)</b>	<b>(37)</b>	<b>(517)</b>	<b>760</b>	<b>(466)</b>	<b>728</b>	<b>720</b>	<b>127</b>
Professional Fees	(30)	-	(411)	(453)	(137)	(187)	(97)	(1,314)
Interest	-	(81)	-	(137)	-	(77)	-	(295)
DIP Fee	-	-	(75)	-	-	-	-	(75)
<b>Net Cash Flow</b>	<b>(1,091)</b>	<b>(118)</b>	<b>(1,003)</b>	<b>170</b>	<b>(602)</b>	<b>464</b>	<b>623</b>	<b>(1,558)</b>
Opening Cash (LoC)	(7,919)	(9,010)	(9,128)	(10,131)	(9,961)	(10,563)	(10,099)	(7,919)
Net Cash Flow	(1,091)	(118)	(1,003)	170	(602)	464	623	(1,558)
Ending Cash (LoC)	(9,010)	(9,128)	(10,131)	(9,961)	(10,563)	(10,099)	(9,476)	(9,476)
<b>AR</b>	<b>5,504</b>	<b>5,480</b>	<b>5,403</b>	<b>5,643</b>	<b>4,810</b>	<b>5,014</b>	<b>4,420</b>	<b>4,420</b>
<b>Inventory</b>	<b>3,706</b>	<b>3,791</b>	<b>3,796</b>	<b>3,682</b>	<b>3,473</b>	<b>3,208</b>	<b>3,199</b>	<b>3,199</b>
<b>Reserves</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>
<b>Borrowing Base</b>	<b>8,795</b>	<b>8,855</b>	<b>8,783</b>	<b>8,909</b>	<b>7,866</b>	<b>7,806</b>	<b>7,203</b>	<b>7,203</b>
<b>Revolver Balance</b>	<b>(9,010)</b>	<b>(9,128)</b>	<b>(10,131)</b>	<b>(9,961)</b>	<b>(10,563)</b>	<b>(10,099)</b>	<b>(9,476)</b>	<b>(9,476)</b>
<b>Availability (Overadvance)</b>	<b>(215)</b>	<b>(272)</b>	<b>(1,348)</b>	<b>(1,051)</b>	<b>(2,697)</b>	<b>(2,293)</b>	<b>(2,273)</b>	<b>(2,273)</b>
<b>Sales</b>	<b>1,177</b>	<b>473</b>	<b>352</b>	<b>1,056</b>	<b>833</b>	<b>1,135</b>	<b>1,132</b>	<b>6,158</b>

# Appendix “E”

September 7, 2023

SENT BY EMAIL

Whyte's Foods Inc.  
Maison Gourmet Inc.  
Triak Capital Inc.  
Mario Saroli Inc.  
Elizabeth Anna Kawaja  
(collectively, the "**Loan Parties**")

Attention: Elizabeth Kawaja

RE: Forbearance Extension Agreement dated as of August 22, 2023 (the "**Forbearance Extension Agreement**") by and among the Loan Parties and Farm Credit Canada

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Capitalized terms used herein and not otherwise defined have the meaning provided to them in the Forbearance Extension Agreement.

The undersigned hereby confirms and agrees that the cash flow forecast attached as Schedule "1" hereto ("**Revised Cash Flow**") hereby replaces the Approved Cash Flow Forecast set out in Schedule "1" of the Forbearance Extension Agreement, and the Revised Cash Flow shall be the "Approved Cash Flow" for the purposes of the Forbearance Extension Agreement and the Initial NOI Order of the Ontario Superior Court of Justice (Commercial List) granted on August 31, 2023.

Except as set out herein, the Forbearance Extension Agreement shall remain in full force and effect and be otherwise unaffected hereby.

Yours Truly,

**FARM CREDIT CANADA**



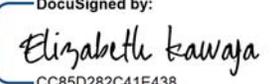
Dale Snider  
Senior Corporate & Commercial  
Account Manager, Special Credit

Acknowledged and Agreed as of the date first written above.

**Whyte's Foods Inc.**  
**Maison Gourmet Inc.**  
**Triak Capital Inc.**  
**Mario Saroli Inc.**

DocuSigned by:  
  
Per: CC85D282C41E438...  
Name: Elizabeth Anna Kawaja  
Title: President

**Elizabeth Anna Kawaja**

DocuSigned by:  
  
CC85D282C41E438...

**SCHEDULE "1" – REVISED CASH FLOW**  
(Attached)

Whyte's  
Cash Flow Forecast - Operating  
Revised DIP Cash Flow Forecast dated September 13, 2023  
C\$'000, Unaudited

Week Ending (\$'000)	Bids Due							Total
	Filing	Sale Process				Closing		
	Actual	Forecast						
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Sales Tax Refund/Other Collections	-	-	-	-	-	-	-	-
	644	525	246	1,950	586	1,786	1,950	7,687
<b>Operating Disbursements</b>								
Payroll	543	8	366	139	460	35	470	2,020
Inventory	924	499	252	584	278	697	456	3,690
Facilities	45	-	-	265	125	145	200	780
Logistics	191	45	73	63	60	58	54	543
Warehouse	2	11	19	19	5	55	5	116
Administrative	0	-	-	14	72	9	0	95
Sales Tax Paid	-	-	53	106	52	59	46	316
	1,705	562	763	1,190	1,051	1,058	1,230	7,560
<b>Net Operating Cash Flow</b>	<b>(1,061)</b>	<b>(37)</b>	<b>(517)</b>	<b>760</b>	<b>(466)</b>	<b>728</b>	<b>720</b>	<b>127</b>
Professional Fees	(30)	-	(411)	(453)	(137)	(187)	(97)	(1,314)
Interest	-	(81)	-	(137)	-	(77)	-	(295)
DIP Fee	-	-	(75)	-	-	-	-	(75)
<b>Net Cash Flow</b>	<b>(1,091)</b>	<b>(118)</b>	<b>(1,003)</b>	<b>170</b>	<b>(602)</b>	<b>464</b>	<b>623</b>	<b>(1,558)</b>
Opening Cash (LoC)	(7,919)	(9,010)	(9,128)	(10,131)	(9,961)	(10,563)	(10,099)	(7,919)
Net Cash Flow	(1,091)	(118)	(1,003)	170	(602)	464	623	(1,558)
Ending Cash (LoC)	(9,010)	(9,128)	(10,131)	(9,961)	(10,563)	(10,099)	(9,476)	(9,476)
<b>AR</b>	<b>5,504</b>	<b>5,480</b>	<b>5,403</b>	<b>5,643</b>	<b>4,810</b>	<b>5,014</b>	<b>4,420</b>	<b>4,420</b>
<b>Inventory</b>	<b>3,706</b>	<b>3,791</b>	<b>3,796</b>	<b>3,682</b>	<b>3,473</b>	<b>3,208</b>	<b>3,199</b>	<b>3,199</b>
<b>Reserves</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>	<b>(416)</b>
<b>Borrowing Base</b>	<b>8,795</b>	<b>8,855</b>	<b>8,783</b>	<b>8,909</b>	<b>7,866</b>	<b>7,806</b>	<b>7,203</b>	<b>7,203</b>
<b>Revolver Balance</b>	<b>(9,010)</b>	<b>(9,128)</b>	<b>(10,131)</b>	<b>(9,961)</b>	<b>(10,563)</b>	<b>(10,099)</b>	<b>(9,476)</b>	<b>(9,476)</b>
<b>Availability (Overadvance)</b>	<b>(215)</b>	<b>(272)</b>	<b>(1,348)</b>	<b>(1,051)</b>	<b>(2,697)</b>	<b>(2,293)</b>	<b>(2,273)</b>	<b>(2,273)</b>
<b>Sales</b>	<b>1,177</b>	<b>473</b>	<b>352</b>	<b>1,056</b>	<b>833</b>	<b>1,135</b>	<b>1,132</b>	<b>6,158</b>

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL UNDER THE BANKRUPTCY AND INSOLVENCY  
ACT, R.S.C. 1985, c. B-3, AS AMENDED OF WHYTE'S FOODS INC.**

Estate / Court File No. 2978830

Applicant

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at TORONTO

**UPDATE TO THE FIRST REPORT OF THE  
PROPOSAL TRUSTEE**

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