

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE TORONTO-DOMINION BANK

Applicant

- and -

**GLOBEWAYS CANADA INC., CANPULSE FOODS LTD. AND
GLOBAL GRAIN CANADA LTD.**

Respondents

**APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, R.S.C. 1985, c. B-3, AS AMENDED**

**SUPPLEMENTARY REPORT TO THE FIRST REPORT OF
BDO CANADA LIMITED
IN ITS CAPACITY AS RECEIVER AND MANAGER OF
GLOBEWAYS CANADA INC., CANPULSE FOODS LTD. AND
GLOBAL GRAIN CANADA LTD.**

December 10, 2020

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INTRODUCTION AND PURPOSE OF THIS REPORT

1. This supplementary report dated December 10, 2020 (the “**Supplementary Report**”) is filed by BDO Canada Limited (“**BDO**”) in its capacity as the receiver and manager (the “**Receiver**”) over the property, assets and undertakings (collectively, the “**Assets**”) of Globeways Canada Inc. (“**Globeways**”), Canpulse Foods Ltd. (“**Canpulse**”) and Global Grain Canada Ltd. (“**Global Grain**”) (collectively the “**Company**”). BDO was appointed as Receiver on November 19, 2020 on an application by The Toronto-Dominion Bank (“**TD**”) pursuant to an order of the Honourable Madam Justice Conway (the “**Receivership Order**”) of the Ontario Superior Court of Justice (the “**Court**”).
2. This Report and all other court materials and orders issued and filed in these receivership proceedings are available on the Receiver’s case website at: <https://www.bdo.ca/en-ca/extranets/globeways/> and will remain available on the website for a period of six (6) months following the Receiver’s discharge.
3. The purpose of the Receiver’s Supplementary Report is to provide information to the Court with respect to the Receiver’s proposed sale of substantially all of the Company’s inventory to a single purchaser.
4. Capitalized terms used herein and not defined in this Supplementary Report shall have the meaning ascribed to them in either the Receivership Order or the Receiver’s First Report.
5. All monetary amounts contained herein are expressed in Canadian dollars unless otherwise noted.

SALE OF INVENTORY

6. Pursuant to paragraph 3(c) of the Receivership Order the Receiver is empowered and authorized to carry on the business of the Company in the ordinary course of business. As set out in the Pre-Filing Report and the First Report Canpulse and Global Grains are in the business of purchasing various grains (the “**Inventory**”) from farmers and cleaning and sorting that Inventory for re-sale.
7. The Receiver has engaged in discussions with, an arm’s-length purchaser (the “**Purchaser**”) regarding the sale of substantially all of the Company’s Inventory wherever situated. This includes Inventory at the Plum Coulee Plant, the Kindersley Plant and at third party facilities. An agreement between the parties is currently being prepared and is expected to be finalized next week and the transaction will close immediately thereafter.
8. Based upon current discussions with the Purchaser, the agreement will incorporate the following terms:

- (a) The inventory will be sold at or above prevailing published market prices and will be negotiated between the parties;
 - (b) The Receiver will make available to the Purchaser, the Company's facility Plum Coulee Plant to allow for the Inventory to be processed and avoid movement of the Inventory which could cause damage and reduce its market value;
 - (c) Payment of the Inventory will occur concurrent with the removal of the Inventory from the Plants on a shipment by shipment basis;
 - (d) Price adjustment clauses will be incorporated to address weight and grade discrepancies;
 - (e) The Purchaser will be responsible for managing the processing and removal of the Inventory at its sole expense;
 - (f) To the extent possible, the Receiver will introduce the Purchaser to the former employees of the Company to assist with access to the facilities, processing and removal of the Inventory. Any costs associated with the foregoing will be at the Purchaser's expense. Due to COVID travel restrictions, the use of the Company's former employees may be necessary to expedite the processing and removal; and
 - (g) Full removal of the Inventory is anticipated to occur by February 15, 2021 however may be extended as necessary.
9. The Receiver is of the view that the transaction with the Purchaser is a sale in the ordinary course and is acceptable to the Receiver as it is considered commercially reasonable and results in monetizing the Inventory, which is perishable, at market values in a single transaction.

All of which is respectfully submitted this 10th day of December, 2020.

**BDO CANADA LIMITED,
in its capacity as the Court-appointed Receiver of
Globeways Canada Inc., Canpulse Foods Ltd. and Global Grain
Canada Ltd. and not in its personal or corporate capacity**

Per:



Name: Josie Parisi, CPA, CA, CBV, CIRP, LIT
Title: Senior Vice-President