

THE KING'S BENCH
WINNIPEG CENTRE

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO SECTION
243 OF *THE BANKRUPTCY AND INSOLVENCY ACT*, R.S.C.
1985 c. B-3, AS AMENDED AND SECTION 55 of *THE COURT OF*
KING'S BENCH ACT, C.C.S.M. c. C280

BETWEEN:

BANK OF MONTREAL,

Applicant,

- and -

GENESUS INC., CAN-AM GENETICS INC. and GENESUS GENETICS, INC.

Respondents.

**ANSWERS TO UNDERTAKINGS GIVEN DURING
THE CROSS EXAMINATION OF
ED BARRINGTON ON FEBRUARY 27, 2025**

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<u>Undertaking</u> <u>No.</u>	<u>Page</u> <u>No.</u>	<u>Undertaking and Answer</u>
1.	7	<p>UNDER ADVISEMENT: To provide documentation that was in effect indicating the internal valuation of the collateral as at January or February of 2023, whenever it is that special loans first became involved.</p> <p><u>Answer:</u> The Bank of Montreal's initial, internal Special Accounts Management (SAMU) review provided as follows:</p> <p>"There is a priority agreement in place between BMO and FCC, giving FCC priority on the equipment and real estate, and BMO priority on the accounts receivable and inventory. The December 2022 AR listing showed only a small amount of ARs with any LV (\$184M) and the August 2022 Inventory listing showing \$3,857M in swine – recommend giving no realization value at this point. The BDO Business Review currently in progress will evaluate the Bank's security position, and bring some clarity. Regular monthly reporting for inventory, ARs,</p>

<u>Undertaking No.</u>	<u>Page No.</u>	<u>Undertaking and Answer</u>
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APs and financial statements have been requested from the client (for each of Genesus Inc., Genesus Genetics Inc, and Can Am). It's noted there is a lien registered under Genesus Genetics Inc – SAMU is aware. Recommend NO RESERVATION at this point despite the RV deficit showing on the 959 of \$2,895M as we reasonably expect sufficient RV once updated reporting received, with the reservation to be re-evaluated with future 959s/929s.

Preliminary work by BDO retrieved Fall 2022 appraisals on the real estate held under both Genesus and Can Am:

<p style="text-align: center;">Genesus Inc. Real Property As at January 31, 2023 Unaudited</p>					
<u>Address</u>	<u>Municipality</u>	<u>Province</u>	<u>April, 2021 Assessment</u>	<u>November, 2022 Market Value</u>	<u>February, 2023 Loan Balances</u>
<u>Genesus Inc.</u>					
Pt. NW32-13-23W	Hamiota	MB	818,500.00	1,150,000.00	879,315.00
570 Park Boulevard West	Winnipeg	MB	1,953,000.00	2,550,000.00	1,226,280.00
101 2nd Street	Oakville	MB	288,000.00	420,000.00	
<u>Can-Am</u>					
Pt. NW-20-16-4E	St. Andrews	MB	1,481,500.00	2,688,000.00	
SW-20-16-4E	St. Andrews	MB	330,200.00	512,000.00	
Pt. NW-21-12-22W	Riverdale	MB	992,900.00	1,349,000.00	
Pt. SW-21-12-22W	Riverdale	MB	117,300.00	151,000.00	
Pt. SE-16-11-9W	North Norfolk	MB	416,300.00	600,000.00	
			6,397,700.00	9,420,000.00	2,105,595.00

There appears to be a \$3MM blanket charge registered by FCC over the properties, however SAMU will work with BMO legal counsel and the client to try to tie up any additional equity in the properties.”

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| 2. | 9 | UNDER ADVISEMENT: To provide initial report and cash flows prepared by BDO pertaining to Genesus and provided to Bank of Montreal. |
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Answer: See attached Tab 2 – business review dated May 11, 2023, prepared by BDO, with appendices.

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| 3. | 11 | UNDER ADVISEMENT: To provide the estimate of the market value of the 17,702 live hogs in Genesus’ Manitoba facilities as of January 2024. |
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Answer: BMO had no market valuation of the 17,702 hogs as at January 2024. The number of hogs was provided to BMO by BDO.

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| 4. | 12 | UNDER ADVISEMENT: To make best efforts to provide any documentation that would show the valuation of the herd in terms of size and market value |
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<u>Undertaking</u> <u>No.</u>	<u>Page</u> <u>No.</u>	<u>Undertaking and Answer</u>
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as at September 2023.

Answer: See attached Tab 4 – balance sheet provided by Trevor Klippenstein of Genesis to BMO on October 25, 2023.

TAB 2



GENESUS INC., CAN-AM GENETICS INC. AND GENESUS GENETICS INC.

BUSINESS REVIEW

11 MAY 2023

STRICTLY PRIVATE & CONFIDENTIAL



DISCLAIMER

Individuals in connection with this report include:

David Lewis
Partner
Financial Advisory Services
T - 780-441-2155
dlewis@bdo.ca

The sole purpose of the viability assessment and security review (the “Report”) is to provide the Bank of Montreal (the “Bank” or the “Lender”) with an assessment of the current financial position of Genesus Inc. (“Genesus”), Can-Am Genetics Inc. (“Can-Am”) and Genesus Genetics Inc. (“GGI” and together with Genesus and Can-Am the “Company”) along with providing comments related to the Company’s projections. The Report has been prepared from information provided by the Companies. Although the information provided to BDO Canada Limited (“BDO” or the “Financial Advisor”) has been reviewed for reasonableness, we have not independently audited or verified the Company’s assets or liabilities at any of the dates referred to in this report. The procedures we performed were limited to discussions with key members of management and reading information prepared by the Company’s personnel. As such, our work may not necessarily disclose all significant matters regarding the Company, or any errors, misstatements, irregularities or illegal acts, if such exist on the part of the Company, its officers, employees and advisors or in the underlying information.

This Report contains certain statements, estimates and projections of financial results with respect to the Company’s forecasted financial performance. Such statements, estimates and projections of financial and operating results reflect various assumptions made by management that may or may not prove to be accurate and there can be no assurance that such results will be realized. BDO expressly disclaims any and all liability for any errors and/or omissions that are contained in this Report and makes no representations or warranties, expressed or implied.

Except as otherwise indicated, no independent accountant has audited, reviewed, compiled or is in any way associated with the information presented herein, nor has an independent accountant expressed any conclusion thereon nor given any other form of assurance with respect thereto.

In conducting our analysis and preparing the Report, we assumed that all security held in support of the Company’s indebtedness to the Bank exists and is valid and enforceable as against the parties.

This report and its findings are intended for the sole use of the Bank to assist it in evaluating its alternatives in dealing with a future relationship with the Company. This report, or any part thereof, is not intended for general circulation or publication or for use by any third party without the prior written consent of BDO. This report, including the appendices hereto, are subject to the terms, qualifications and restrictions contained in the Engagement Letter.

A copy of the factual section of this report was provided to Management (as defined on page 4) for their review and comment.

In furnishing this Report, BDO does not undertake any obligation to provide any recipient with access to any additional information. This Report shall not be deemed to be an indication of the state of affairs of the Company nor shall it constitute a representation that there has been no change in the business or affairs of the Company since the date hereof.

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DEFINITIONS, ABBREVIATIONS AND GLOSSARY OF TERMS

Abbreviation	Meaning
AR	Accounts receivable
AP	Accounts payable
BDO	BDO Canada Limited, the Financial Advisor
BMO, Bank or Lender	Bank of Montreal
Can-Am	Can-Am Genetics Inc.
CRA	Canada Revenue Agency
EDC	Export Development Bank of Canada
EUR	Euro currency
EY	Ernst & Young LLP
FCC	Farm Credit Canada
Financial Advisor	BDO Canada Limited
GBP	Great British Pounds
Genesis	Genesis Inc.
GGI	Genesis Genetics Inc.
Gilt	Female pig
GSA	General Security Agreement
GST	Goods and Services Tax
Management	Jim Long, Jodi Nigh and Trevor Klippenstein
RMB	Chinese Yuan
RUB	Russian Rubles
SRED	Scientific Research and Experimental Development
USD	United States Dollar

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DESCRIPTION OF WORK

- The Bank engaged BDO to review the affairs of the Company and to report same to the Bank.
- BDO's engagement is outlined in an engagement letter dated March 13, 2023 (the "Engagement Letter") which is attached hereto as **Appendix 1**. This report, including the appendices, is subject to the terms, qualifications and restrictions contained in the Engagement Letter.
- Under the terms of the Engagement Letter, BDO was engaged to:
 - Review the financial and business affairs of the Company;
 - Review the Company's cash flow requirements on a long-term basis;
 - Review the Company's current financial position including, but not limited to, an analysis of the Company's contracts, assets, liabilities, contingent liabilities and future obligations;
 - Review pending litigation or claims against the Company;
 - Review and analyze the Lender's security position; and
 - Such other advice, reports and general financial advisory services as may be agreed upon by the Lender and BDO from time to time.

BDO's review of the Company's operations included fieldwork and site visits to the facilities located at: (i) 101 2nd Street Oakville Manitoba, (ii) Boars Head House 570 Park Blvd. West Winnipeg, Manitoba and (iii) Canadian A.I. in Hamiota Municipality, Manitoba. In addition, we held various discussions with Jim Long (President and CEO), Trevor Klippenstein, CPA, CMA (Vice President of Finance) and Jodi Nigh (Controller). These individuals are individually or collectively referred to as "**Management**".

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KEY FINDINGS

BMO's collateral position - our analysis of the Bank's security position indicates that there are sufficient assets in a realization scenario to repay the outstanding loans. We note however that this is premised on the value of the real estate being consistent with their appraised values. Based on our analysis BMO will have to rely on the guarantees from Can-Am to fully realize on its loans to Genesus.

Achievability of Projections - the cash flows of the Company appear optimistic at best as all three projections show a net increase in cash over the nine-month period. However, based on historical and year to date information, these projections do not appear to agree with past results. The Company would likely require significant increases in revenue or significant decreases in operating expenses and monitor those decreases to achieve these results.

Projections Predictability of Sales - one of the biggest risks the Company faces is its lack of sales predictability. The Company does not have long term agreements with its customers.

Viability - During our review we observed: (i) declining sales and gross margins, (ii) sales/transfers to related parties (GGI) which are not paid in the normal course, (iii) operating losses being incurred resulting in a shareholder deficit (GGI and Can-Am); (iv) quality issues with respect to the Company's financial reporting; and (v) aging receivables and certain significant receivables being uncollectible. Based upon the foregoing the Company needs better financial oversight in order to ensure the Company has sufficient liquidity and good quality information to remain viable and make decisions.

Collection of advances to related parties - the Company has made significant advances to GGI. GGI is not self sufficient and is operating at the indulgence of Genesus and the Bank. Currently GGI is indebted to Genesus in excess of \$25 million. The advances fund GGI's operations which are in the USA and fund GGI's losses. The Bank should consider requiring GGI to repay a portion of the loans and repatriate the funds to Canada.

Source deductions and GST - based upon our review of the information provided by Management there are no source deductions or GST/PST arrears.

Working capital deficiency - all three companies are working capital deficient and require a cash injection. This injection could come from shareholder injections, the sale of assets, collection of SR&ED refunds and cost-cutting measures. GGI is not profitable and is being funded by Genesus thereby putting pressure on Genesus. The Company needs to determine a plan for GGI and whether it should be closed or restructured.

Quality of information and Management capabilities - various balances presented on the balance sheet did not agree to supporting documentation and we needed to make multiple requests of Management to reconcile the balance sheet accounts to supporting schedules, make the bank reconciliations agree with the balance sheet and sub-ledgers to tie to the balance sheet. It appears a portion of this issue relates to a knowledge gap associated with accounting software and a portion relates to the experience of the accounting staff. We recommend that the accounting staff receive training for the accounting software or consider a change. In addition, we are not confident that Trevor Klippenstein has the experience or skills for the Vice President of Finance role, given the current situation of the companies.

Externally prepared financial statements - the companies have not had externally prepared financial statements since 2021. This raises additional concerns regarding the quality of the interim reporting. We note that the auditors are owed approximately of \$1.4 million which is likely the reason the financial statements have been delayed.

Scientific Research and Experimental Development ("SR&ED") refunds - Management advised that SR&ED tax refunds could potentially be a source of cash. The Bank should inquire whether the companies have sufficient time to file the SR&ED refunds as they are time sensitive (must be filed within 18 months of year end). For the purposes of our analysis, we have not included any potential realizations from SR&ED refunds.

Sale of Assets - Can-Am is in discussions with a Hutterite colony about purchasing St. Andrews Barn. Based on discussions with Management, the colony has offered \$2.8 million, and the property is appraised at \$3.2 million. The offer includes Can-Am renting the barn for a year. Management estimates that approximately \$1 million to 1.5 million would be available as a cash injection after payment of fees, repaying FCC and buying out the widow of one shareholder who is now deceased.

Litigation - based upon our discussions with Management there are a number of litigations against the Company. These matters will impact the collection of receivables and result in cash outflows to defend.

EDC - the EDC guarantee is in the process of being renewed. The Bank will need to monitor payments to EDC to ensure that the guarantee remains in place. The Financial Advisor notes that the guarantee only covers foreign customers.

Can-Am shares - Management provided a share purchase agreement for Genesus to purchase the shares of Can-Am from Larry Friesen Family Trust. Attached as **Appendix 2** is a copy.

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RECOMMENDATIONS - BANK

A. Continuing Relationship

- Based upon our analysis, in a liquidation scenario, realizations from accounts receivable and inventory alone will not be sufficient to recover the Bank's loan and the Bank will have to rely on the sale of the real estate and the guarantee from Can-Am in order to recover its loans. A significant portion of the Company's receivables are due from entities based in foreign countries. In an insolvency scenario a Receiver would rely on the EDC insurance to assist in collecting insured balances (assuming it is maintained and payments are made).
- The Company's profitability has deteriorated and if not resolved, could result in the use of the operating line to fund losses. Without addressing the profitability issues, the Bank's position will deteriorate. We suggest the Bank continue to support the Company in the short term; however, the Company's progress in attempting to return the companies to profitability needs to be closely monitored. Should meaningful progress not be made in a timely manner, the Bank should reassess its options. The Bank should consider requiring that the funds sent to support GGI be limited in order to not erode the Bank's position or compromise Genesis.
- Assuming the relationship between BMO and the Company is to continue, we suggest the parties enter into a Forbearance Agreement. The agreement should specifically address: (i) acceptable variances from the projected monthly revenues; (ii) monthly reporting; (iii) the consequences of violating the forbearance terms; (iv) time frames for delivering externally prepared financial statements and filing SR&ED returns; (v) other reporting to the Bank; (vi) Management's plan for GGI and (vii) obtaining security over the land in Can-Am.
- An interest rate increase should be considered to reflect the increase in Company's risk profile; however, this will put pressure on the Company's cash flow.

B. Owner's Commitment

- The Bank should consider requesting the shareholder group inject funds to show their commitment to returning the Company to profitability.

C. Control & Oversight

- The Bank should require the Company submit and an updated cash flow in order to allow it better monitor its loan exposure. In addition, the Bank should consider requiring the Company to prepare an integrated cash flow which will allow the Bank and the Company to understand project cash flow pressures, borrowing limits and the impact of the foregoing on receivables and payables. Our view of the cash flow projection is that it is deficient.

D. Other

- The Bank may consider further reductions in the maximum operating loan should the cash flow continue to show aggressive reduction in the loan balance.
- The Bank should consider obtaining current inventory, equipment and real estate appraisals in the event the Bank decides to enforce its security. This will allow the Bank to better understand the value and condition of these assets as well as to understand how other current economic factors will impact the values.
- The Bank should request proof of payment of the accounts receivable insurance policy premiums on a monthly basis.
- The Bank should consider having an advisor to monitor the company's cash flows and progress in respect of matters of significance (sale of property, priority payables, litigations, filing SR&ED returns, preparation of financial statements, etc.)

RECOMMENDATIONS - COMPANY

A. Financial and reporting

- Management needs to determine whether the operations of GGI should continue. Currently GGI is not profitable and is being financed by Genesis who is working capital deficient. A
- The Company's financial reporting is lacking. Specifically, a number of errors were found in supporting schedules and reconciliations, the cash flow projections were not realistic and externally prepared financial statements have not been prepared in over two (2) years. We suggest the Company hire an experienced CFO who can assist with the reporting and forecasting requirements of the Company.
- Various balances presented on the balance sheet did not agree to supporting documentation and we needed to make multiple requests of Management to reconcile the balance sheets to supporting schedules, make the bank reconciliations agree with the balance sheet balances and sub-ledgers to tie to the balance sheet. We recommend that the accounting staff receive training as necessary, and the work of the account staff be properly supervised and reviewed.
- Genesis needs to identify and track the customer deposits. If the accounting software cannot do so, Genesis should create an Excel sheet to track these deposits.
- A significant amount of the Company's receivables are due or were historically due from related parties (GGI and Can-Am) and those amounts appear to be aged. The Company should consider arranging for regular payments from these parties to assist in alleviating the cash flow strain on Genesis.
- EDC claims should be complete for all amounts which are delinquent as required by the EDC policy and the Company should pursue delinquent customers. We requested information regarding committed sales and committed purchases. This information was not provided. We are uncertain whether the Company maintains a perpetual list of these commitments. If the Company currently does not maintain this information, it should consider doing so. This will allow the Company to understand its exposure in respect of the inventory on hand and its ability to meet its financial projections.
- Cash flow projection include balance sheet accounts already paid in full. Examples would be the vehicle loan, Venbridge SRED Loan and the Agri Food loan. All which were repaid before April 1, 2023.

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BACKGROUND

Business overview

- ▶ The group under review is comprised of three entities: Genesus Inc. (“**Genesus**”), Can-Am Genetics Inc. (“**Can-Am**”) and Genesus Genetics Inc. (“**GGI**”). The companies generate revenue from: i) sale of breeding stock; ii) sale of culls and barrows; iii) artificial insemination and royalties; and i) technical and genetic fees. The companies have established one of the world’s largest pedigree purebred herds of Landrace, Yorkshire and Duroc pigs. The attributes of each of these pigs is described in **Appendix 3**.
- ▶ In addition to these entities, the corporate group includes various other entities. A corporate chart is included in **Appendix 4**.
- ▶ Genesus, founded in 1995, sells a range of swine genetics products and services, including breeding stock, semen, and technical support. It specializes in hyper-prolific gilts (produces litters of 20 or more piglets compared to the average of 8-12). The gilts are produced from the world’s largest registered purebred herd. The company is headquartered in Oakville Manitoba and holds ownership interests in various entities worldwide.
- ▶ GGI is the wholly owned US subsidiary of Genesus and is headquartered in Sioux Falls, South Dakota. Like Genesus, GGI is a swine genetics company that specializes in hyper-prolific gilts which are produced from the world’s largest registered purebred herd. GGI is wholly owned by 10012514 Manitoba Limited (“**100 Manitoba**”). 100 Manitoba is owned by Jim Long, Bob Kemp, Mike Van Schepdael and Dan Van Schepdael.
- ▶ Can-Am provides Genesus with running purebred swine research and development to Genesus’ swine herds. Can-Am is owned by Larry Friesen Family Trust.
- ▶ Genesus is the borrower under the BMO loan facilities and each of GGI and Can-Am have guaranteed the debt.

Events leading to BDO’s engagement

- ▶ BMO transferred Genesus, Can-Am’s and GGI’s to special loans after Farm Credit Canada (“**FCC**”) transferring the entities to FCC’s special loans department. In addition, the Bank had concerns that the companies have not had their external financial statements prepared since 2021.
- ▶ Can-Am is a borrower under a BMO operating line.

BMO’s security

- ▶ Pursuant to a Letter of Agreement between BMO and Genesus dated March 19, 2019, as later amended and restated (the “**BMO Lending Agreement**”), BMO made the following loans to Genesus:
 - Facility #1 - a revolving operating facility with a maximum amount of USD \$1.25 million, with interest calculated at Prime Rate plus 1.50% until fully repaid;
 - Facility #2 - an operating demand loan with a maximum amount of CAD \$6 million, with interest calculated at Prime Rate plus 1.50%, compounded; and
 - Facility #3 - a \$100,000 treasury risk facility for hedging of interest rate and/or foreign exchange risk.
- ▶ Pursuant to the BMO Lending Agreement, the total amount approved for all facilities is not to exceed \$7 million at any given time.
- ▶ Pursuant to the lending agreement BMO holds the following security :
 - A General Security Agreement (“**GSA**”) providing BMO with a first ranking interest over AR, inventory, and a second ranking interest over equipment;
 - A second ranking interest over real estate;
 - General assignment of book debts;
 - A first ranking interest over all the Genesus’ present and after-acquired livestock pursuant to the Bank Act;
 - An unlimited guarantee from Can-Am, with a registered GSA providing BMO with a first security interest over the property of Can-Am;
 - An unlimited guarantee from GGI, with a registered GSA providing BMO with a first ranking interest over the property of GGI; and
 - A guarantee from EDC Export Development (“**EDC**”) over accounts receivable in the amount of \$3 million.



BACKGROUND

Factors affecting revenues over the past three years

- ▶ Management advised the following factors have negatively impacted Genesis over the past three years, however they believe most of these issues have been resolved.
 - Geopolitical - inability to sell to certain large markets such as China (refused to purchase swine genetics from Canada -estimated loss of sales \$7 - \$10 million) Russia-Ukraine War - (all imports were stopped) and UK (Brexit ceased access to Europe).
 - Pandemic - due to the pandemic potential customers have not had the ability to travel to the facilities and sample the products. Additionally, Management has been unable to visit customers.
 - Swine health issues, such as swine flu.

Management

- ▶ The Management team consists of:
 - Jim Long, President and shareholder - oversees the operations, assists in sales and writes a weekly pork market commentary in several languages and has key relationships in the pork industry.
 - Mike Van Schepdael - Vice President Sales and Shareholder - responsibilities include overseeing sales and marketing activities for Genesis, as well as for making operational decisions for the companies since 1995.
 - Robert Kemp PhD. - Vice President Genetic Program and R&D and Shareholder - responsible for the development and expansion of the genetic research and development programs.
 - Trevor Klippenstein - Vice President of Finance - oversees the finance department for Genesis, GGI and Can-Am.
 - Jodi Nigh - Controller - Manages a variety of office and accounting functions for Genesis, GGI, and Can-Am.

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SUMMARY FINANCIALS - GENESUS INC.

Observations

- ▶ Genesus' has not had its financial statements externally prepared since March 31, 2021. Those financial statements were prepared by EY and are in draft.
- ▶ Based upon the interim financial statements, Genesus generated a loss of \$2.7 million for the 10 months ended January 31, 2023. The company also incurred losses in 2021 and 2022.
- ▶ The company transacts in various currencies resulting in exposure to foreign exchange fluctuations.
- ▶ In 2021 approximately \$890,000 was received from the Canadian Emergency Wage Subsidy.
- ▶ Management indicated that since travel has started again, its sales team is able to visit customers and business is beginning to return to normal.
- ▶ Genesus largest assets are receivables, inventory and capital assets.
- ▶ At January 31, 2023 Genesus was indebted to BMO in the amount of \$7.1 million.

Balance sheet - Genesus

CDN\$	External Mar 31, 2021	External (draft) Mar 31, 2022	Internal Jan 31, 2023
Current assets			
Cash	\$ 898,227	-	1,394
Accounts receivable	5,078,605	2,760,133	29,961,236
Shareholder loan	100,000	300,000	100,000
Due from GGI	21,799,034	-	54,658
Due from Can-Am	4,148,138	2,585,030	40,000
Due from Genesus Life Science	280,580	279,996	695,751
Due from Genesus Sarl (France)	-	-	175,147
Due from 10387282 Canada Inc.	96,366	139,840	-
Due from Genesus Swine Genetics (UK)	-	-	2,350
Other receivables	-	-	229,822
PST/GST/HST receivable	-	-	123,869
Prepays and deposits	286,618	200,000	200,000
Agricultural inventory	625,159	479,372	3,799,220
Total current assets	33,312,727	6,744,371	35,383,447
Long-term receivables	805,879	24,683,933	-
Fixed assets, net	2,617,169	2,435,264	2,697,343
Productive biological assets	1,133,210	1,424,860	-
Investment in Genesus Life Science	330	330	330
Total assets	37,869,315	35,288,758	38,081,120
Current liabilities			
BMO bank indebtedness	6,002,402	5,891,193	7,109,902
Accounts payable and accruals	6,015,383	8,307,888	10,313,869
Customer deposits/deferred revenue	6,168,675	5,387,769	4,506,866
Venbridge SRED loan	-	-	500,000
Due to other	-	-	44,501
Corporate taxes	509,181	509,181	509,181
Total current liabilities	18,695,641	20,096,031	22,984,318
Due to FCC	3,189,358	2,868,621	2,102,904
Vehicle loans	38,862	3,945	3,945
Due to shareholder	44,401	44,401	17,507
Total liabilities	21,968,262	23,012,998	25,108,675
Equity	15,901,053	12,275,760	12,972,446
Total liabilities and equity	37,869,315	35,288,758	38,081,120

Note: The internal financial statements may not be grouped in the same manner as the externally prepared financial statements.

Income Statement - Genesus

CDN\$	External Mar 31, 2021	External Mar 31, 2022	Internal Jan 31, 2023
Revenue	42,356,379	35,960,711	25,222,678
Cost of sales	18,576,510	19,789,398	16,637,988
Gross profit	23,779,869	16,171,313	8,584,690
Gross profit %	56.1%	45.0%	34.0%
Expenses			
Administrative	267,162	333,947	219,847
Amortization	261,000	194,621	-
Bad debts	2,937	472,655	-
Computer	72,849	91,994	110,479
Delivery	8,997,249	5,774,708	3,996,958
Genetics	3,343,098	2,468,152	3,254,072
Interest and bank charges	253,401	355,185	375,378
Interest on long-term debt	113,345	115,602	140,148
Miscellaneous	194,397	150,457	-
Professional fees and commissions	1,796,614	2,603,991	2,434,323
Repairs and maintenance	34,387	29,419	58,390
Salaries and wages	1,810,529	2,986,775	2,639,298
Selling	660,786	860,614	962,091
Veterinary and medicine	4,079,549	3,238,817	557,020
Total expenses	21,887,303	19,676,937	14,748,001
Loss before	1,892,566	(3,505,624)	(6,163,311)
Other income	381,862	25,267	1,612,455
Loss on sale of disposal	(8,498)	(671)	-
Interest income	136,884	92,770	136,246
Foreign exchange (loss)	(2,580,202)	(236,510)	1,710,298
Net income/(loss) for the year	(177,388)	(3,624,768)	(2,704,313)

Attached as Appendix 5 are Genesus' January 31, 2023 balance sheet and income statement.



SUMMARY FINANCIALS - CAN-AM GENETICS INC.

Observations

- ▶ Can-Am has not had its financial statements externally prepared since September 30, 2020.
- ▶ Based upon the interim financial statements, Can-Am generated a loss of \$270,000 for the 6 months ended March 31, 2023. The company also incurred losses in 2021 and 2022.
- ▶ Can-Am's largest assets are receivables, inventory and capital assets.
- ▶ At March 31, 2023 Can-Am was indebted to BMO in the amount of \$363,800. Can-Am was also indebtedness to FCC, Devonridge and Agri Food.
- ▶ Can-Am only had the externally prepared tax return for fiscal 2021, no externally prepared financial statements.

Balance sheet - Can-Am

CDN\$	External Sept 30, 2019	External Sept 30, 2020	Internal Mar 31, 2023
Current assets			
Cash	\$ 61,939	9,493	-
Accounts receivable	969,058	1,407,091	511,150
PST/GST/HST Payable	-	-	6,590
Prepays	28,342	112,688	102,841
Agricultural inventory	795,975	888,358	681,348
Total current assets	1,855,314	2,417,630	1,301,929
Fixed assets, net	943,194	903,644	944,809
Loan receivable	5,839	5,839	-
Productive biological assets	264,870	264,870	264,870
Total assets	3,069,217	3,591,983	2,511,608
Current liabilities			
BMO bank indebtedness	431,115	350,277	363,796
Accounts payable and accruals	918,950	825,608	1,762,222
Accrued vacation	-	-	14,466
Total current liabilities	1,350,065	1,175,885	2,140,483
Due to FCC	31,902	508,142	450,000
Devonridge Loan	1,000,000	1,000,000	1,000,000
Agri Food Loan	214,081	174,584	108,626
Due to Genesus	3,782,644	4,041,094	52,201
CEBA	-	30,000	-
Hepson Tractor Loan	-	34,633	20,401
Total liabilities	6,378,692	6,964,338	3,771,711
Equity	(3,309,475)	(3,372,355)	(1,260,103)
Total liabilities and equity	3,069,217	3,591,983	2,511,608

Note: The internal financial statements may not be grouped in the same manner as the externally prepared financial statements.

Income Statement - Can-Am

CDN\$	External Sept 30, 2019	External Sept 30, 2020	Internal Mar 31, 2023
Revenue	3,379,239	2,740,138	1,892,025
Cost of sales	3,022,418	2,618,282	1,928,923
Gross profit	356,821	121,856	(36,897)
Gross profit %	10.6%	4.4%	-2.0%
Expenses			
Amortization	76,584	70,576	-
Delivery	176,312	137,675	104,806
Interest and bank charges	1,668	1,620	4,723
Interest on long term debt	214,438	193,738	33,151
Management fees	91,704	67,062	45,852
Office	35,302	42,447	15,881
Professional fees	32,886	50,674	4,463
Repairs and maintenance	2,796	15,645	41,285
Total expenses	631,690	579,437	250,161
Loss before	(274,869)	(457,581)	(287,059)
Government grants and other income	308,459	375,950	-
Net rental income	19,903	18,751	16,685
Net Income/(loss) for the year	53,493	(62,880)	(270,374)

Attached as **Appendix 6** are Can-Am's March 31, 2023 balance sheet and income statement.



SUMMARY FINANCIALS - GENESUS GENETICS INC.

Observations

- ▶ GGI's financial statements are stated in USD.
- ▶ GGI has not had its financial statements externally prepared since September 30, 2019.
- ▶ Based upon the interim financial statements, GGI generated a loss of \$1.1 million for the 3 months ended March 31, 2023. The company also incurred losses in 2020, 2021 and 2022.
- ▶ GGI's largest assets are receivables and inventory.
- ▶ GGI is not indebted to any banks.
- ▶ GGI only provided internal financial statements for fiscal 2021 and 2020.
- ▶ The Lease inducements relates to a purchase of a pig herd from Torridian Agrico LLC ("TAL"). TAL has security over the herd and is currently in litigation with GGI.

Balance sheet - Genesus Genetics Inc.

USD\$	External Dec. 31, 2019	Internal Mar 31, 2023
Current assets		
Cash	111,874	-
Accounts receivable	2,344,370	1,318,363
Other receivables		150
Prepays	13,500	14,000
Agricultural inventory	778,911	3,164,922
Total current assets	3,248,655	4,497,434
Fixed assets, net	130,539	180,677
Productive biological assets	3,178,520	-
Total assets	6,557,714	4,678,111
Current liabilities		
Bank overdraft	-	10,748
Accounts payable and accruals	13,789,901	22,397,373
Due to Genesus Inc.	-	1,043,973
Taxes payable	631	630
Total current liabilities	13,790,532	23,452,724
Lease inducements	940,500	797,700
Total liabilities	14,731,032	24,250,424
Equity	(8,173,318)	(19,572,313)
Total liabilities and equity	6,557,714	4,678,111

Attached as Appendix 7 are GGI's March 31, 2023 balance sheet and income statement.

Income statement - Genesus Genetics Inc.

USD\$	External Dec 31, 2019	Internal Mar 31, 2023
Revenue	19,565,605	3,087,416
Direct costs	19,118,281	3,350,375
Gross profit	447,324	(262,960)
Gross profit %	2.3%	-8.5%
Expenses		
Advertising	135,822	13,021
Amortization	55,836	-
Bad debts	50,260	-
Interest and bank charges	3,913	8,665
Deliveries	1,735,940	217,154
Duties and fees	93,188	-
Entertainment and promotion	138,365	19,658
Inspections	12,111	-
Management fees	-	130,996
Miscellaneous	16,537	-
Office and administration	601,855	14,773
Professional fees	33,409	9,498
Salaries	1,345,076	292,564
Tags	47,196	-
Travel	200,925	37,524
Veterinary	611,598	76,462
Total expenses	5,082,031	820,316
Loss before	(4,634,707)	(1,083,275)
Other income	7,255	1,006
Provision for income taxes	610	-
Net income/(loss) for the year	(4,626,842)	(1,082,269)

Note: The internal financial statements may not be grouped in the same manner as the externally prepared financial statements.

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ESTIMATED SECURITY POSITION - GENESUS INC.

Security Position Analysis & Realization Approach

- ▶ In the event of the appointment of a Receiver and Manager (the “Receiver”), the Receiver may consider continuing operations for a limited period of time to pursue an “en bloc” sale of the assets to maximize the value of the assets and limit damage/set off claims. The decision to continue operations would be based on obtaining certain Management, customer, employee, and supplier support/cooperation, as well as Bank approval.
- ▶ We considered two scenarios in our analysis of the Bank’s collateral and estimated realizable value approaches. The low scenario reflects a forced liquidation where the sale of the business as a going concern may not be completed. We assume in this scenario that it would take three months to collect on AR, and liquidate any assets, not including the real property/equipment. In this scenario the inventory would be sold quickly to reduce the risk of disease or other issues associated with livestock, and minimal key employees would be retained to wind down the business. The real property/equipment would be sold at a distressed value if necessary (the “**Low Scenario**”). This worst-case scenario would likely result in lower gross recoveries on AR, inventory and capital assets. We have assumed there would be sufficient cash flow from operations to purchase feed and other essential goods for the welfare of the animals.
- ▶ The High Scenario of our estimated realization range assumes a Receiver would continue operations for a period of 3-4 months (the “**Operating Period**”) thereby leading to relatively higher realizations on the assets primarily A/R and inventory (“**High Scenario**”). It is assumed that during the operating period, the Receiver would be able to retain the appropriate staff levels to continue operating in order to fulfill any outstanding orders and minimize inventory levels. The Operating Period is estimated to allow the Receiver enough time for the inventory to be sold and collect AR. The focus would be on selling the inventory, collecting AR, filing any necessary claims with EDC and selling the business and/or the real property. We have assumed there would be sufficient cash flow from operations to purchase feed and other essential goods for the welfare of the animals.
- ▶ We assume that the real estate would be sold “as is, where is”, at amounts lower than appraised value. In this scenario property taxes, insurance and utilities (although less than when operating) would be paid.
- ▶ Our analysis, which is detailed in the following pages, indicates that once the guarantees as called upon, the Bank should be able to recover the full amount of its loan to Genesis. Our conclusion is based upon indebtedness of \$7.1 million.

Genesis Inc.			
Estimated security position			
CDN\$	Book value	High	Low
Cash	1,394	1,394	-
PST/GST/HST receivable	123,869	123,869	-
Accounts receivable	29,961,236	1,530,000	1,020,000
Shareholder loan	100,000	-	-
Due from GGI	54,658	-	-
Due from Can-Am	40,000	-	-
Due from Genesis Life Science	695,751	-	-
Due from Genesis Sarl (France)	175,147	-	-
Due from Genesis Swine Genetics (UK)	2,350	-	-
Other receivables	229,822	18,822	828
Prepays and deposits	200,000	-	-
Agricultural and biological inventory	3,799,220	2,603,000	2,169,000
Fixed assets (real estate, equipment, etc.)	2,697,343	2,081,000	1,204,000
Investment in Genesis Life Science	330	-	-
Gross recoveries before the following	38,081,120	6,358,085	4,393,828
Estimated Priority Claims			
30 Day Goods/Farmers		(90,000)	(90,000)
Super Priority Wages (61 Employees)		(481,000)	(122,000)
Source Deductions		-	-
GST		-	-
Est. net realizable value before professional fees		5,787,085	4,181,828
BMO indebtedness		(7,109,902)	(7,109,902)
Est. shortfall before guarantees from related parties		(1,322,817)	(2,928,074)
Guarantees from Can-Am		1,322,817	2,928,074
Estimated shortfall		-	-

ESTIMATED SECURITY POSITION - GENESUS INC.

Basis of Presentation

- Our analysis is based upon Genesis' most recently completed month-end which was January 31, 2023.

Cash

- Genesis maintains has USD\$1,394 in an account with CIBC. We would attempt to collect the balance. In the High Scenario we assume the Receiver is successful in obtaining the cash. In the Low Scenario we have assumed that there are offset, bank charges or that the account has been cleared.

GST Receivable

- For the purposes of our analysis, we assume the full amount recorded on the balance sheet is collectible in the High Scenario and nil is collectible in the low scenario.

Receivables

- The reported book value of receivables is \$29.96 million. The AR listing is lengthy and includes approximately 80 customers ranging from \$30 to \$25.5 million. The adjacent table summarizes the largest receivables. Approximately 89.7% of AR, \$26.9 million, is aged over 91 days and most of that amount is due from Keystone Pig of America/GGI, a related party.
- Approximately \$26.0 million of total AR is due from related parties. Keystone Pig of America is the largest and is the predecessor name of GGI (i.e. the amount is due from GGI). Other related party amounts total \$587,800 and are due from GS, Genesis Deutschland, Genesis Ukraine, Van Schepdael Farms, Can-Am and Synergy Swine Ltd.
- Management identified the amount due from High Country Swine (\$10,482) as uncollectible as the entity is bankrupt.
- Sillio Agriculture Livestock ("Sillio") - The \$1.5 million due from Sollio is subject to ongoing litigation in which the entities have filed statements of defence and counterclaims. The collectability of this account is uncertain.
- Scandinavian Farms Pig (\$921,470) - Management provided all the invoices that make up the balance of the account. Management provided proof of payment for March of 2023 in the amount of \$42,727. No collection issues were identified by Management.
- Xinjiang Taiyu Breeding (\$296,400) - Management provided all the invoices that make up the balance of the account. No amounts had been paid as of April 11, 2023. No collection issues were identified by Management.

- Golden Harvesta (\$296,107) - Management provided all the invoices that make up the balance of the account. Management provided proof of payment for amounts received in February and March 2023 totalling \$248,000.
- Glenmarshal Sires (\$201,388) - Management provided all the invoices that make up the balance of the account. No amount had been paid as of April 11, 2023.
- AgroBelogorye (\$8,353) - Management provided the contract for this account; however, the contract does not state the value of the receivable but how the invoices will be structured. The Financial Advisor requested Management to provide the invoices of the account as well. Based on the Financial Advisor's review and the geopolitical tensions with Russia, the collectability of this account is uncertain.
- Slack Family Farms (\$54,880) - The Management provided invoices for this account were \$100,787 greater than reported balance, the invoices were from July and August of 2021. The Financial Advisor requested Management to provide an explanation for the difference and for proof of payment for this account.
- Synergy Swine Ltd. (\$135,376) - Management provided all the invoices that make up the balance of the account. Management provided proof of payment for March of 2023 in the amount of \$125,063.
- Van Boekel Hog Farms Inc. (\$134,017) - Management provided all the invoices that make up the balance of the account. Management provided proof of payment for March of 2023 in the amount of \$36,240.
- Van Schepdael Farms (\$58,897) - Management provided all the invoices that make up the balance of the account. Management provided proof of payment for March of 2023 in the amount of \$40,758.

Genesis Inc.					
Accounts Receivable - CDN\$					
As at January 31, 2023					
Customer	Current	31-60	61-90	91+	Total
Keystone Pig of America (GGI)	471,116	510,369	550,225	24,010,779	25,542,489
Sollio Agriculture Livestock	-	-	-	1,544,076	1,544,076
Scandinavian Farms Pig Ind.	-	460,375	-	461,096	921,470
Xinjiang Taiyu Breeding	-	74,100	-	222,300	296,400
Golden Harvesta	17,201	278,907	-	-	296,107
Genesis Sarl	-	-	-	269,488	269,488
Glenmarshal Sires	176,064	3,251	5,952	16,120	201,388
Customers Under \$200,000	347,689	106,225	91,772	344,131	889,817
Total	1,012,070	1,433,227	647,949	26,867,990	29,961,236
% of total	3.4%	4.8%	2.2%	89.7%	100.0%



ESTIMATED SECURITY POSITION - GENESUS INC.

Receivables

- The below table summarizes customers that Genesis is indebted to. Where Genesis is indebted to a customer the maximum amount a customer is likely to pay is the net balance. In our analysis where the AP balance exceed the AR balance we assumed nil recoveries. Where the AR balance exceeds the AP balance we assumed the net amount may be collected.

Genesis Inc. Offsetting Recivables & Payables - CDN\$ CDN\$			
Customer	AR	Offsetting AP	Net AR
Genesis Genetics Inc.	\$25,542,489	\$ 69,570	\$25,472,919
Sollio Agriculture Livestock	1,544,076	159,892	1,384,184
Glenmarshal Sires	201,388	88,518	112,870
Synergy Swine Ltd.	135,376	182,317	-
Cypress Colony	94,549	468,287	-
Van Schepdael Farms	58,897	504,173	-
ProLine Pork Marketing	51,842	21,787	-
Can-Am Genetics Inc.	26,536	615,649	-
Martin Farms Ltd.	18,143	450,230	-
Prairie Blossom Colony	13,706	992,558	-
High Country Swine	10,482	42,300	-
Woodlands Colony	1,334	(1,700)	3,034
Total	27,698,817	3,593,580	26,973,007

- The adjacent table summaries our analysis of estimated realizations from receivables. Doubtful accounts, accounts subject to litigation (see Appendix 8 for additional details related to Sillio), related party balances and set-offs have been considered in calculating net receivables.
- In our analysis we assumed the realization from receivables to be in the range of 50% to 75% in the Low Scenario and High Scenario's, respectively. In the High scenario we considered the company's low bad debt experience historically. In the Low Scenario we considered the various challenges associated with collecting foreign and aged receivables in addition to customers alleging actual or perceived deficiencies with the product/service received requiring a potential settlement to be made with customers to facilitate payment.
- Based on the foregoing realizations from AR are estimated at \$1,530,000 in the High Scenario and \$1,020,000 in the Low Scenario.

Genesis Inc. Estimated realizable value of receivables CDN\$		
	High	Low
Total receivables	29,961,236	29,961,236
Less: doubtful - High County Swine	(10,482)	(10,482)
Less: litigation - Sillio	(1,544,076)	(1,544,076)
Less: related party balances		
GGI/Keystone Pig of America	(25,542,489)	(25,542,489)
Genesis Sarl	(269,488)	(269,488)
Genesis Deutschland	(81,454)	(81,454)
Van Schepdael Farms	(58,897)	(58,897)
Can-Am Genetics Inc.	(26,536)	(26,536)
Genesis UK	(16,738)	(16,738)
Less: set-offs		
Synergy Swine Ltd.	(135,376)	(135,376)
Glenmarshal Sires	(88,518)	(88,518)
Cypress Colony	(94,549)	(94,549)
ProLine Pork	(21,787)	(21,787)
Martin Farms	(18,143)	(18,143)
Prairie Blossom	(13,706)	(13,706)
Net receivables	2,038,995	2,038,995
Estimated realizable - %	75%	50%
Est. realizable amount (rounded)	1,530,000	1,020,000

Customer Deposits (liability)

- The balance sheet shows \$4,506,886 in customer deposits as of January 31, 2023 (liability). Management advises that customer deposits are received on royalty contracts. The deposits are applied to royalty receivables/invoices when certain milestones or targets contingencies within the agreement are met.
- We reviewed the customer deposit sub-ledger and a sample of agreements outlining the terms. The Management advised that none of the customer deposits relate to invoices on the AR listing. We note however, sub-ledger does not list deposits by customer, and based on discussions with Management, their system does not have the ability to sort by customer. Accordingly, we were not able to corroborate Management's assertions.

ESTIMATED SECURITY POSITION - GENESUS INC.

Shareholder loan and related party receivables

- ▶ The top adjacent table summarizes amounts due from shareholders and related parties. For the purpose of our analysis, we assumed nil realizations from these assets in both the Low and High Scenarios.

Other Receivables

- ▶ The second adjacent table summarizes receivables from other parties. The book value of the receivables is \$230,797. There is a small discrepancy (\$975) between the amount shown on the balance sheet and the amount in the subledger.
- ▶ Superior Weanlings Ltd. ("Superior") - Management advises that this is subject to proceedings with the Court. This matter has been ongoing since 2017. Genesus claims that Superior owes them \$184,150. However, Superior is claiming that Genesus owes them \$30,035. Superior claims that Genesus overcharged for freight by \$94,891, they also claim that \$96,795 is owed in royalties and that an additional \$18,000 is owed due to negligence in which 400 pigs were infected. A summary of the litigation is included in **Appendix 8**. Based on Management's discussions with their counsel, they expect this matter to be concluded before 2024. For the purposes of our analysis we assumed nil recoveries in either scenario.
- ▶ Prairie Blossom Colony (\$27,825) - Management advises that this customer is owed \$992,558 by the Company, which it is offsetting the balance against. Based on discussions with Management, Prairie Blossom Colony will not pay until Genesus pays the outstanding amount. Therefore, no recovery is likely with respect to this amount. For the purposes of our analysis, we assumed nil recoveries in either scenario.
- ▶ Loan to Yevgen Shatokin (\$12,000) - Based on discussions with Management, this was made to one of Genesus' consultants who resides in the Ukraine. The loan was for tuition of the consultant's daughter. There are no repayment terms. Management advised that the consultant intends to repay the loan (no interest accrued). For the purpose of our analysis we included the full amount as recoverable in the High Scenario and nil in the Low Scenario.
- ▶ Ultrasound Ukraine (\$5,994) - Based on discussions with Management, an ultrasound machine was sent to Ukraine. Vit Agro paid for it through the sale price of pigs. This receivable needs to be backed out to the international Boars Revenue account. For the purpose of our analysis, we included the full amount as recoverable in the High Scenario and nil in the Low Scenario.
- ▶ CRA Carbon Tax - Based on discussions with Management this has been collected as of April 21, 2023.
- ▶ Attached as **Appendix 9** are the Financial Advisor's review of the royalty agreements in relation to the accounts receivable.

Genesus Inc.			
Due from Shareholders and Related Parties			
CDN\$	Book value	High	Low
Due from shareholder	100,000	-	-
Genesus Genetics Inc. (GGI)	54,658	-	-
Can-Am Genetics	40,000	-	-
Genesus Life Sciences (GLS)	695,751	-	-
Genesus Sarl (France)	175,147	-	-
Genesus Swine Genetics (GSG) UK	2,350	-	-
Total	967,906	-	-

Genesus Inc.			
Other Receivables			
CDN\$	Book value	High	Low
Superior Weanlings Ltd.	\$ 184,150	-	-
Prairie Blossom Colony	27,825	-	-
Loan to Yevgen Shatokin	12,000	12,000	-
Ultrasound Ukraine	5,994	5,994	-
CRA Carbon Tax	828	828	828
Total	230,797	18,822	828

Prepays and security deposits

- ▶ We understand prepaids and security deposits relate to a \$200,000 deposit on a barn lease. For the purpose of our analysis, we assumed that the deposit would not result in a refund during the receivership but would reduce the amount of cash outlays during the term of the receivership.

ESTIMATED SECURITY POSITION - GENESUS INC.

Agricultural and Biological Inventory

- ▶ The top adjacent table summarizes the quantity and location of the inventory. The bottom adjacent table summarizes the book values and the net estimated realizable value of the inventory.
- ▶ The book value of the inventory is based on:
 - Agricultural assets - current market price less cost to complete which includes freight; and
 - Biological assets - cost to acquire.
- ▶ There is a difference of approximately \$907,000 between the amount recorded on the balance sheet and the inventory subledger (the "Inventory Report"). Management advised that the Inventory Report is valued using slaughter value, meaning if all animals were sent to slaughter this is what would they be valued at. Conversely the amounts on the balance sheet are recorded in accordance with accounting principles.
- ▶ Agriculture Inventory includes the physical pigs, which are separated between nursery and finisher pigs. The nursery pigs are the baby pigs, and the finisher are those that have grown to adults. Agricultural inventory, approximately \$1.7 million in value, includes: herd boars, piglets, finisher barrows and gilts, and nursery barrows and gilts.
- ▶ The biological assets, approximately \$1.4 million in value, includes stud boars and breeding sows.
- ▶ Approximately \$1.2 million of the pigs are at third party barns. The other \$1.9 million are at facilities owned by Can-am, Genesis, or are rented from a third-party, Design Genetics Inc. ("DGI").
- ▶ Based on discussions with Management, to recover on the herd boars, they would need to be shipped to the United States and it is unlikely that recovery would occur on the stud boars. This is due to Canadian slaughterhouses not being willing to accept boars.
- ▶ Inventory Clearing - this account is used to provide time to review and confirm each item before moving them to their correct inventory account. Based on discussions with Management, the inventory clearing balance needs to be credited out and debited against cost of goods. The balance of the inventory clearing should be nil.
- ▶ We estimated the net realizable value of the inventory based upon our discussions with management. They advised that the estimate value should be based upon slaughter values. For the purposes of our analysis, we estimated the net realizable value to be 90% and 75% of the slaughter values in the High and Low Scenario's respectively. The gross slaughter values of the inventory was \$2,892,340 resulting in net realizable values of \$2.6 million in the High Scenario and \$2.2 million in the Low scenario.

Genesis Inc. Inventory by Location & Quantity			
Site Name	Inventory description	Inventory Type	Quantity
Prairie Blossom	Herd Boars	Agricultural Inventory	23
DGI	Herd Boars	Agricultural Inventory	20
DGI	Nursery Gilts	Agricultural Inventory	568
DGI	Nursery Barrows	Agricultural Inventory	603
DGI	Nursery Boars	Agricultural Inventory	400
DGI	Finisher Gilts	Agricultural Inventory	1,326
DGI	Finisher Barrows	Agricultural Inventory	1,410
DGI	Finisher Boars	Agricultural Inventory	935
Bagot	Nursery Barrows	Agricultural Inventory	381
Bagot	Nursery Gilts	Agricultural Inventory	2,350
Veldhuis	Nursery Barrows	Agricultural Inventory	281
Durand	Nursery Gilts	Agricultural Inventory	4,393
Durand	Finisher Gilts	Agricultural Inventory	1,655
Durand	Finisher Barrows	Agricultural Inventory	12
Prairie Blossom	Breeding Sows	Biological Asset	644
Martin Farms	Breeding Sows	Biological Asset	1,137
DGI	Breeding Sows	Biological Asset	859
Canadian AI	Stud Boars	Biological Asset	164

Genesis Inc. Inventory			
CDN\$	Book Value	High	Low
Agricultural	\$ 1,684,284		
Biological	1,458,404		
Inventory Clearing	656,532		
Total book value	\$ 3,799,220		
Slaughter value	2,892,340	2,892,340	2,892,340
Estimated realization %		90%	75%
Net estimated realizable value		2,603,000	2,169,000

ESTIMATED SECURITY POSITION - GENESUS INC.

Fixed Assets

- ▶ The adjacent table summarizes the Gensus' capital assets as of January 31, 2023, as presented on the internal financial statements. As of January 31, 2023, the net book value of the fixed assets totaled \$2.7 million. As described herein, the estimated net realizable value of the fixed assets are \$1,284,000 and \$2,081,000 in the Low and High Scenario's respectively.

Real Estate

- ▶ The Company obtained real estate appraisals from Jordan Appraisal Group ("JAG") in October 2022. These were provided to the Bank. The Company advises that it obtained these appraisals given its current circumstances and in anticipation of queries and/or requests from its secured lenders.
- ▶ The Company holds 3 pieces of real estate:
 - A residential property located at 570 Park Boulevard West Winnipeg MB, also known by the company as the Boar Head House (the "Boar Head House"). Management advises that the Boar Head House is used for guests / potential customers attending and viewing the other facilities while staying in the area.
 - A hog barn located at the legal address of NW-32-13-23W in Hamiota, Manitoba and includes a hog barn and land (the "Canadian A.I."). Boars and semen collection inventory are stored at this location; and
 - An office building located at 101, 2nd Street Oakville, Manitoba (the "Oakville Office"). The Oakville Office is the head office and where Management reside.
- ▶ The 2022 property taxes were not paid in full. Boar Head House had property tax arrears of \$43,757. Canadian AI had property tax arrears of \$3,909 and the property tax arrears on the Oakville office were \$11,834.
- ▶ In calculating the net realizable value of the real estate we considered:
 - The outstanding property taxes on each property as of December 31, 2022.
 - Selling costs of 5%.
 - The amounts due to FCC who hold a first ranking charge on the real estate. Details of the FCC loans are included as Appendix 10.
 - In the High Scenario we assumed the gross proceeds to equal the full appraised value. In the Low Scenario we assumed the gross proceeds to equal 80% of the appraised value.
- ▶ The net estimate realizable value for Boars Head, Canadian A.I. and Oakville office are \$405,000, \$959,000 and \$387,000, respectively in the High Scenario.
- ▶ The net estimate realizable value for Canadian A.I. and Oakville office are \$741,000 and \$307,000, respectively in the Low Scenario. We note that after considering FCC's outstanding loans, property taxes and selling costs, there is no equity in the Boars Head property in the Low Scenario. The deficiency in the FCC loan on the Boars Head property is satisfied from the equity in Canadian A.I.

Genesis Inc. Property & Equipment - CDN\$					
Asset	Cost	Amort.	NBV	High	Low
Boar's Head	1,826,624	(278,471)	1,548,153	405,000	-
Canadian A.I.	554,720	(153,567)	401,153	959,000	661,000
Oakville Office	212,510	(114,350)	98,160	387,000	307,000
Vehicles	1,381,266	(1,080,918)	300,348	184,000	163,000
Barn Equipment	323,390	(119,861)	203,529	102,000	51,000
Technical Equipment	398,406	(310,511)	87,895	44,000	22,000
Furniture	129,044	(90,132)	38,912	-	-
Computer Equipment	324,833	(307,809)	17,024	-	-
Office Equipment	111,589	(109,420)	2,169	-	-
Shop Equipment	12,333	(12,333)	-	-	-
Total	5,274,715	(2,577,372)	2,697,343	2,081,000	1,204,000

Genesis Inc. Estimated realizable value of real estate				
Property	Boars Head	Canadian A.I.	Oakville Office	Total
Address	570 Park Blvd	NW-32-13-23W	101 2nd Street	
City	Winnipeg	Hamiota	Oakville	
Appraised value	2,550,000	1,150,000	420,000	4,120,000

High				
Est. proceeds - 100% of appraisal	2,550,000	1,150,000	420,000	4,120,000
Property tax arrears	43,757	3,909	11,834	59,501
Selling costs - 5%	127,500	57,500	21,000	206,000
Net realizable value	2,378,743	1,088,591	387,166	3,854,499
FCC loans	1,973,588	129,316	-	2,102,904
Net equity - High	405,155	959,275	387,166	1,751,595
Net equity - High - rounded	405,000	959,000	387,000	1,752,000

Low				
Appraised value	2,550,000	1,150,000	420,000	
Est. proceeds - 80% of appraisal	2,040,000	920,000	336,000	3,296,000
Property tax arrears	43,757	3,909	11,834	59,501
Selling costs - 5%	102,000	46,000	16,800	164,800
Net realizable value	1,894,243	870,091	307,366	3,071,699
FCC loans	1,973,588	208,661	-	2,182,249
Net equity - Low	(79,345)	661,429	307,366	889,450
Net equity - Low - rounded	-	661,000	307,000	889,000

ESTIMATED SECURITY POSITION - GENESUS INC.

Vehicles

- ▶ The company owns 39 vehicles and trailers. All are located in Manitoba. Management advised that the vehicles are owed outright and not encumbered.
- ▶ We used the Canadian Black Book rough wholesale value for the vehicles. We considered a 10% discount to cover auction and various other expenses in the High Scenario and a 20% discount in the Low Scenario.

Other Fixed Assets

- ▶ Other fixed assets include owned barn equipment, technical equipment, computers, and miscellaneous furniture/ fixtures.
- ▶ We estimated the net realizable value of the barn and technical equipment at 25% and 50% of the net book value in the Low and High Scenarios, respectively. The realizable percentages are based on our prior experience in liquidating similar equipment.

Investments

- ▶ Genesis Life Science is an entity based in Russia. Due to geopolitical issues, we have assumed the realizable value of the investment is nil.

Priority Payables

Farmer/30-day good claims

- ▶ Pursuant to section 81.1 of the Bankruptcy and Insolvency Act (the "BIA") certain unpaid suppliers may have a property claim to goods delivered within 30 days of a bankruptcy or receivership, which would rank ahead of the Bank. Pursuant to section 81.2 of the BIA, certain unpaid farmers may have a secured claim, also which would rank ahead of the Bank. Based on information provided by the Company, we estimated 30-day good claims at \$90,000 and farmer claims at \$nil.

Wages and vacation priority

- ▶ In liquidation scenario, each employee is secured up to a maximum of \$2,000 for eligible unpaid wages as against a company's current assets pursuant to section 81.3 and 81.4 of the Bankruptcy and Insolvency Act, which would rank ahead of the Bank's security.
- ▶ The Company has 61 employees. Accrued wages and vacation pay are approximately \$481,000. We have included this amount in the calculation of our High scenario.
- ▶ In the Low Scenario we estimated the super priority to be \$122,000 (\$2,000 x 61 employees).

Source Deductions

- ▶ According to the statement of account and payroll service report provided, the Company is current with its source deductions.
- ▶ The Company processes payroll on a bi-monthly basis. On average, it pays \$36,000 per pay period in source deductions.

GST and PST

- ▶ According to the statement of account the company does not have any outstanding GST or PST obligations. Accordingly, no amount has been deducted in our analysis.



ESTIMATED SECURITY POSITION - CAN-AM GENETICS INC.

Basis of Presentation and conclusion

- Our analysis is based upon Can-Am's most recently completed month-end which was March 31, 2023.
- Our analysis, which is detailed in the following pages, indicates that the Bank should be able to recover the full amount of its loan to Can-Am. Our conclusion is based upon indebtedness of \$364,000.

Cash

- Can-Am has one bank account (CDN). It is held with BMO and is currently in overdraft.

Receivables

- The following table summarizes Can-Am's receivables as of March 31, 2023. Receivables total \$511,150. \$116,636 of total AR, 22.82%, are aged 91+ days old. The largest receivables are due from related parties Genesis (\$365,631) and Synergy Swine Ltd (\$52,291).

Can-Am Genetics Inc. Accounts Receivable - CDN\$ As at March 31, 2023					
Customer	Current	31-60	61-90	91+	Total
Genesis Inc.	248,424	90,386	24,125	2,695	365,631
High Country Swine	-	-	-	79,256	79,256
Synergy Swine Ltd.	6,444	8,105	3,058	34,685	52,291
East Forty Packers Ltd.	13,298	-	-	-	13,298
Quintaine & Sons	675	-	-	-	675
Total - \$	268,841	98,491	27,182	116,636	511,150
Total - %	52.6%	19.3%	5.3%	22.8%	100.0%

- Management advised that the amount due from High Country Swine is not collectible as this entity is bankrupt.
- Genesis (\$365,631) - Management provided all the invoices that make up the account. Management provided proof of payment made between January and April 2023 for a total amount of \$184,150.
- Synergy Swine Ltd. (\$52,291) - Management provided all the invoices that make up the balance. Based on discussions with Management, no payments have been made to date.
- East Forty Packers Ltd. (\$13,298) - Management provided all the invoices that make up the balance of the account. Management provided proof of payment made on April 11, 2023, for \$13,298.
- For the purposes of our analysis, we assumed the related party amounts and the amount due from High Country Swine would not be collected. Accordingly, only the amounts due from East Forty Packers and Quintaine & Sons would be collected. We assumed the full amount would be collected in the High Scenario and 75% of the balance would be collected in the Low Scenario.

Can-Am Genetics Inc. Estimated security position			
CDN\$	Book value	High	Low
Accounts receivable	511,150	14,000	10,500
PST/GST/HST Payable	6,590	-	-
Prepays	102,841	-	-
Agricultural and biological inventory	946,218	1,374,000	1,527,000
Fixed assets, net	944,809	5,066,600	4,038,000
Gross recoveries before	2,511,608	6,454,600	5,575,500
Estimated Priority Claims			
30 Day Goods/Farmers		90,000	90,000
Super Priority Wages (13 Employees)		14,500	26,000
Source Deductions		-	-
GST		-	-
Est. net realizable value before prof. fees		6,350,100	5,459,500
BMO indebtedness		364,000	364,000
Estimated security position		5,986,100	5,095,500

Can-Am Genetics Inc. Estimated realizable value of Receivables		
CDN\$	High	Low
Total receivables	511,150	511,150
Less: doubtful - High Country Swine	(79,256)	(79,256)
Less: related party balances		
Genesis Inc.	(365,631)	(365,631)
Synergy Swine Ltd.	(52,291)	(52,291)
Net receivables	13,973	13,973
Estimated realizable - %	100%	75%
Estimated realizable - \$	14,000	10,500



ESTIMATED SECURITY POSITION - CAN-AM GENETICS INC.

Prepays

- Prepays (\$102,281) are comprised of prepaid insurance, property taxes and management fees paid to High County Swine. For the purpose of our analysis, we assumed that the deposit would not result in a refund during the but would reduce the amount of cash outlays during the term of the receivership.

GST Receivable

- The March 31, 2023, balance sheet shows a receivable of \$6,590. We assumed nil recoveries in both the High and Low Scenarios.

Agricultural and Biological Inventory

- The top adjacent table summarizes the quantity and location of the inventory. The bottom adjacent table summarize the book values and the net estimated realizable value of the inventory.
- The book value of the inventory is based on: (i) current market price less cost to complete which includes freight for the agricultural assets and the cost to acquire for the biological assets.
- Agricultural inventory, approximately \$681,348 in value, includes: herd boars, piglets, finisher barrows and gilts, and nursery barrows and gilts.
- The biological assets, approximately \$264,870 in value, are comprised of breeding sows.
- All of the pigs are at facilities owned by Can-am.
- Based on discussions with Management, to recover on the herd boars, they would need to be shipped to the United States and it is unlikely that recovery would occur on the stud boars. This is due to Canadian slaughterhouses not being willing to accept boars.
- We estimated the net realizable value of the inventory based upon our discussions with management. They advised that the estimate value should be based upon slaughter values. For the purposes of our analysis, we estimated the net realizable value to be 90% and 75% of the slaughter values in the High and Low Scenario's respectively. The gross slaughter values of the inventory was \$1,527,050 resulting in net realizable values of \$1.4 million in the High Scenario and \$1.1 million in the Low scenario.

Can-Am Genetics Inc. Inventory by Location & Quantity			
Site Name	Description	Inventory Type	Quantity
Prairie Sun	Herd Boars	Agricultural Inventory	15
Prairie Sun	Piglets	Agricultural Inventory	515
Prairie Sun	Nursery Gilts	Agricultural Inventory	372
Prairie Sun	Nursery Barrows	Agricultural Inventory	234
Prairie Sun	Nursery Boars	Agricultural Inventory	212
Prairie Sun	Finisher Gilts	Agricultural Inventory	792
Prairie Sun	Finisher Barrows	Agricultural Inventory	497
Prairie Sun	Finisher Boars	Agricultural Inventory	451
St. Andrews	Herd Boars	Agricultural Inventory	30
St. Andrews	Piglets	Agricultural Inventory	1,008
St. Andrews	Nursery Gilts	Agricultural Inventory	1,806
St. Andrews	Nursery Barrows	Agricultural Inventory	740
St. Andrews	Nursery Boars	Agricultural Inventory	354
St. Andrews	Finisher Gilts	Agricultural Inventory	1,308
St. Andrews	Finisher Barrows	Agricultural Inventory	535
St. Andrews	Finisher Boars	Agricultural Inventory	257
Prairie Sun	Breeding Sows	Biological Asset	390
St. Andrews	Breeding Sows	Biological Asset	677

Can-Am Genetics Inc. Inventory			
CDN\$	Book value	High	Low
Agricultural	681,348		
Biological	264,870		
Total	946,218		
Slaughter value		1,527,050	1,527,050
Estimated realization %		90%	75%
Net estimate realizable value		1,374,345	1,145,288



ESTIMATED SECURITY POSITION - CAN-AM GENETICS INC.

Fixed Assets

- ▶ The adjacent table summarizes the Can-Am' capital assets as of March 31, 2023, as presented on the internal financial statements. As of March 31, 2023, the net book value of the fixed assets totaled \$944,809. As described herein, the estimated net realizable value of the fixed assets are \$4,038,000 and \$5,066,600 in the Low and High Scenario's respectively.

Real Estate

- ▶ The Company obtained real estate appraisals from Jordan Appraisal Group ("JAG") in October 2022. These were provided to the Bank. The Company advises that it obtained these appraisals given its current circumstances and in anticipation of queries and/or requests from its secured lenders.
- ▶ The Company holds 3 pieces of real estate:
 - A barn and an empty land parcel located at the legal address of Pt NW-20-164E & SW-20-16-4E in St. Andrews, Manitoba ("St. Andrews").
 - A barn and an empty land parcel located at the legal address of Pt NW-21-12-22W & Pt. SW-21-12-22W in Riverdale, Manitoba ("Riverdale"); and
 - A barn located at the legal address of Pt SE-16-11-9W in North Norfolk, Manitoba ("North Norfolk").
- ▶ The 2022 property taxes were not paid in full. St. Andrews had property tax arrears of \$8,585. Riverdale had property tax arrears of \$6,513. North Norfolk had property tax arrears of \$2,006.
- ▶ In calculating the net realizable value of the real estate we considered:
 - The outstanding property taxes on each property as of December 31, 2022.
 - Selling costs of 5%.
 - In the High Scenario we assumed the gross proceeds to equal the full appraised value. In the Low Scenario we assumed the gross proceeds to equal 80% of the appraised value.
- ▶ The net estimate realizable value for St. Andrews, Riverdale and Norfolk are \$3.03 million, \$1.4 million and \$570,000, respectively in the High Scenario.
- ▶ The net estimate realizable value for St. Andrews, Riverdale and Norfolk are \$2.4 million, \$1.1 million and \$456,000, respectively in the Low Scenario.
- ▶ We note that the FCC's outstanding loans are a third charge against moveable personal property and not the real estate.

Can-Am Genetics Inc.

Property & Equipment - CDN\$

Asset	Cost	Amort.	NBV	High	Low
Nursery & Barns	2,934,514	(2,389,052)	545,462	5,020,000	4,013,000
Land & Buildings	274,946	(6,970)	267,977	inc. above	inc. above
Equipment	1,607,538	(1,530,543)	76,995	17,600	-
Vehicles	115,366	(60,990)	54,376	29,000	25,000
Total	4,932,364	(3,987,555)	944,809	5,066,600	4,038,000

Can-Am Genetics Inc.

Estimated realizable value of real estate

Property/City Address	St. Andrews Pt. NW-20-16-4E	St. Andrews SW-20-16-4E	Riverdale Pt. NW-21-12-22W	Riverdale Pt. SW-21-12-2Pt.	North Folk Pt. SE-16-11-9W	Total
Appraised value	2,688,000	512,000	1,349,000	151,000	600,000	5,300,000
High						
Est. gross proceeds	2,688,000	512,000	1,349,000	151,000	600,000	5,300,000
Property tax arrears	7,237	1,348	5,652	861	-	15,098
Selling costs - 5%	134,400	25,600	67,450	7,550	30,000	265,000
Net realizable value	2,546,363	485,052	1,275,898	142,589	570,000	5,019,902
Net equity - High	2,546,000	485,000	1,276,000	143,000	570,000	5,020,000

Low

Est. gross proceeds	2,150,400	409,600	1,079,200	120,800	480,000	4,240,000
Property tax arrears	7,237	1,348	5,652	861	-	15,098
Selling costs - 5%	107,520	20,480	53,960	6,040	24,000	212,000
Net realizable value	2,035,643	387,772	1,019,588	113,899	456,000	4,012,902
Net equity - Low	2,036,000	388,000	1,020,000	114,000	456,000	4,013,000



ESTIMATED SECURITY POSITION - CAN-AM GENETICS INC.

Vehicles

- ▶ The company owns 1 passenger vehicle. The vehicle is owed outright and not encumbered. We used the Canadian Black Book rough wholesale value for the vehicles. We considered a 10% discount to cover auction and various other expenses in the High Scenario and a 20% discount in the Low Scenario.

Other Fixed Assets

- ▶ Other fixed assets include owned a tractor, barn equipment, technical equipment, computers, and miscellaneous furniture/ fixtures. We deduct the value of the loan on the tractor.
- ▶ We estimated the net realizable value of the equipment at 25% and 50% of the net book value in the Low and High Scenarios, respectively. The realizable percentages are based on our prior experience in liquidating similar equipment.

Priority Payables

Farmer/30-day good claims

- ▶ Pursuant to section 81.1 of the BIA certain unpaid suppliers may have a property claim to goods delivered within 30 days of a bankruptcy or receivership, which would rank ahead of the Bank. Pursuant to section 81.2 of the BIA, certain unpaid farmers may have a secured claim, also which would rank ahead of the Bank. Based on information provided by the Company, we estimated 30-day good claims at \$90,000 and farmer claims at \$nil.

Wages and vacation priority

- ▶ In liquidation scenario, each employee is secured up to a maximum of \$2,000 for eligible unpaid wages as against a company's current assets pursuant to section 81.3 and 81.4 of the Bankruptcy and Insolvency Act, which would rank ahead of the Bank's security.
- ▶ The Company has 13 employees. Accrued wages and vacation pay are approximately \$20,048. We have included this amount in the calculation of our High scenario.
- ▶ In the Low Scenario we estimated the super priority to be \$26,000 (\$2,000 x 13 employees).

Source Deductions

- ▶ According to the statement of account and payroll service report provided, the company is current with its source deductions.

GST and PST

- ▶ According to the statement of account the company does not have any outstanding GST or PST obligations. Accordingly, no amount has been deducted in our analysis.



ESTIMATED SECURITY POSITION - GENESUS GENETICS INC.

Basis of Presentation and conclusion

- Our analysis is based upon GGI's most recently completed month-end which was March 31, 2023. Based upon our review there may be equity in GGI's assets. We are advised that Torridian Agrico has a security interest over the herd however we have not been advised of the amounts owed to them. Our analysis is summarized in the top adjacent chart and shows the net realizable value of GGI's assets are in the range of USD\$1.9 million to USD\$2.3 million before Torridian Agrico's interest. We understand the Bank does not have any loans outstanding with GGI.
- All amounts are presented in USD.

Receivables

- The table below summarizes GGI's receivables at March 31, 2023. Receivables total \$1.3 million. Approximately \$400,000 of total AR, 30.3%, are aged 91+ days old. Genesis is indebted to GGI in the amount \$52,112.

Genesis Genetics Inc. Accounts Receivable - USD\$ As at March 31, 2023					
Customer	Current	31-60	61-90	91+	Total
Brad Stevermer	326,490	49,123	-	332,225	707,839
G & J Swine	95,108	-	-	-	95,108
Hooter Lane Farms	66,160	-	-	-	66,160
Grassland Colony	-	-	-	65,022	65,022
Bunkum Valley Farms	58,781	-	-	-	58,781
CCPC Swine LP	52,962	-	-	-	52,962
Genesis Inc.	-	-	44,100	8,012	52,112
Customers Under \$50,000	28,821	175,279	22,631	(6,353)	220,378
Total - \$	628,322	224,403	66,731	398,907	1,318,363
Total - %	47.7%	17.0%	5.1%	30.3%	100.0%

- The largest receivable, \$707,838, is due from Brad Stevermer. The AP listing shows a payable of \$368,820 to this customer. GGI owes Brad Stevermer \$368,820. This amount has been deducted in calculating the estimate realizable amount from receivables. We also deducted off-setting payables from Grassland Colony and other customers in our calculations.
- Management advised there were no collection issues they are aware of, and historically bad debts have been low.
- Based upon discussions with Management and the aging of receivables, we assumed approximately 100% of AR would be collected in the High Scenario and 75% in the Low Scenario. As presented in the bottom adjacent table we estimate realizations from AR to be in the range of \$600,000 to \$790,000.

Genesis Genetics Inc. Estimated security position			
USD\$	Book value	High	Low
Accounts receivable	1,318,363	790,000	600,000
Other receivables	150	-	-
Prepays	14,000	-	-
Agricultural and biological inventory	3,164,922	757,000	631,000
Fixed assets, net	180,677	74,000	66,000
Gross recoveries before professional fees	4,678,111	1,621,000	1,297,000
BMO indebtedness	-	-	-

Genesis Inc. Estimated realizable value of receivables		
USD\$	High	Low
Total receivables	1,318,363	1,318,363
Less: related party balances		
Genesis Inc.	(52,112)	(52,112)
Less: set-offs		
Brad Stevmen	(368,820)	(368,820)
Grassland Colony	(65,022)	(65,022)
Other customers	(38,142)	(38,142)
Net receivables	794,266	794,266
Estimated realizable - %	100%	75%
Est. realizable amount (rounded)	790,000	600,000



ESTIMATED SECURITY POSITION - GENESUS GENETICS INC.

Other receivables and prepaids

- For the purpose of our analysis, we assumed no realizations from prepaids and other assets.

Agricultural and Biological Inventory

- The top adjacent table summarizes the quantity and location of the inventory. The bottom adjacent table summarize the book values and the net estimated realizable value of the inventory. The book value of the inventory is based on: (i) current market price less cost to complete which includes freight for the agricultural assets and the cost to acquire for the biological assets.
- Agricultural inventory, approximately \$214,458, includes: herd boars, piglets, finisher barrows and gilts, and nursery barrows and gilts. The biological assets, approximately \$3.1 in value, are comprised of breeding sows.
- All inventory is held at third party locations. Management advised that Torridian Agrico has a security interest over the herd at the Aiddison River Ranch. Based on the secured we removed the lease inducement amount from the realization calculations.
- We estimated the net realizable value of the inventory based upon our discussions with management. They advised that the estimate value should be based upon slaughter values. For the purposes of our analysis, we estimated the net realizable value to be 90% and 75% of the slaughter values less the lease inducement in the High and Low Scenario's respectively. The gross slaughter values of the inventory was \$841,147 resulting in net realizable values of \$757,000 in the High Scenario and \$631,000 in the Low scenario.

Vehicles and other capital assets

- GGI has nine (9) vehicles ranging from 2015 to 2020 model years and are high mileage i.e., 140,000 to 465,000 km.
- In estimating the estimated realizable value of the vehicles, we considered the Canadian Black Book rough wholesale values with a 20% discount to cover auction and other costs. Based upon the foregoing we estimate the realizable value of the vehicles to be \$74,000 in the High Scenario and \$66,000 in the Low Scenario.
- We assumed minimal realization from the other capital assets (computers and furniture).

Priority Payables

- Due to GGI being based in the USA BDO has not undertaken a review of any potential competing priority claims or identified any creditors that may have priority interest over GG's assets. It has been assumed that the Bank is the priority secured creditor.

Genesis Genetics Inc.

Inventory by Location & Quantity

Site Name	Inventory description	Inventory Type	Quantity
Aiddison River Ranch	Herd Boars	Agricultural Inventory	12
Aiddison River Ranch	Nursery Barrows	Agricultural Inventory	2,316
Aiddison River Ranch	Nursery Gilts	Agricultural Inventory	2,425
Aiddison River Ranch	Finisher Barrows	Agricultural Inventory	63
Aiddison River Ranch	Finisher Gilts	Agricultural Inventory	664
Widmer	Barrow Piglets	Agricultural Inventory	150
Widmer	Gilt Piglets	Agricultural Inventory	136
Widmer	Nursery Barrows	Agricultural Inventory	680
Widmer	Nursery Gilts	Agricultural Inventory	682
Aiddison River Ranch	Breeding Sows	Biological Asset	3,075
Widmer	Breeding Sows	Biological Asset	735

Genesis Genetics Inc.

Inventory - USD\$

Inventory Type	Book value	High	Low
Agricultural	214,458		
Biological	3,118,520		
Inventory Clearing	(168,057)		
Total	3,164,922		

Slaughter value	841,147	841,147
Estimated realization %	90%	75%
Estimated realization - \$	757,000	631,000

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CASH FLOW - GENESUS INC.

Genesis Inc. Projected Cash Flow Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast
CASH IN-FLOWS									
Trade Accounts Receivable (Existing)	132,562	132,562	132,562	132,562	132,562	132,562	132,562	132,562	132,562
Trade Accounts Receivable (New Sales)	1,200,683	2,099,803	2,693,028	3,027,306	3,091,202	3,076,228	3,030,140	2,994,053	2,969,310
Collections of GGI Receivable	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL CASH IN-FLOWS	1,373,245	2,272,365	2,865,591	3,199,868	3,263,764	3,248,791	3,202,702	3,166,615	3,141,872
CASH OUT-FLOWS									
Operating Activities									
Direct Costs									
New AP Payments - COS	350,792	584,247	816,063	1,176,900	1,194,009	1,189,301	1,187,795	1,183,233	1,160,975
Total Direct Costs	350,792	584,247	816,063	1,176,900	1,194,009	1,189,301	1,187,795	1,183,233	1,160,975
Overhead Costs									
SG&A Payroll and Employee Costs	228,393	225,383	227,602	228,393	225,383	227,602	228,393	225,383	227,602
New AP Payments - SG&A	132,113	257,951	771,966	1,290,421	1,236,200	1,295,036	1,299,882	1,297,633	1,212,897
Opening AP Payments	199,668	199,668	199,668	199,668	199,668	199,668	199,668	199,668	199,668
Net HST Remittances (Refunds)	0	0	743	0	0	0	0	342,300	0
Income Taxes Paid	0	0	510,000	0	0	0	0	0	0
Bank Charges and Interest	128,876	63,249	23,492	(88,743)	205,548	201,744	222,760	49,872	49,174
Total Overhead Costs	689,049	746,251	1,733,471	1,629,739	1,866,799	1,924,049	1,950,702	2,114,856	1,689,340
Total Operating Activities	1,039,842	1,330,498	2,549,534	2,806,639	3,060,808	3,113,350	3,138,497	3,298,088	2,850,315
Investing Activities									
Purchase (Proceeds) of Capital Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Financing Activities									
FCC Loan 687556001	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594
FCC Loan 549187000	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220
FCC Loan 558562001	4,251	4,251	4,251	4,251	4,251	4,251	4,251	4,251	4,251
Vehicle Loans	340	0	0	0	0	0	0	0	0
Total Financing Activities	28,405	28,065	28,065	28,065	28,065	28,065	28,065	28,065	28,065
TOTAL CASH OUT-FLOWS	1,073,247	1,363,563	2,582,600	2,839,705	3,093,873	3,146,415	3,171,562	3,331,154	2,883,381
NET INCREASE (DECREASE) IN CASH	299,998	908,802	282,991	360,164	169,891	102,375	31,140	(164,539)	258,491

Projections - General

- Management prepared a combined 12-month projected income statement. This projection was for all three entities, Genesis, Can-Am and GGI. When we requested the consolidated projected financial statements, Management advised that their accounting software could not produce consolidated projections for the entities. As a result, we requested separate projections for each entity.
- The projection provided by Management was for the period April 1, 2023, to December 31, 2023, and only a projected income statement was prepared. Corresponding projected balance sheets and cash flow statements were not prepared. BDO incorporated the projected income statement into a three-way model (the "Model") to generate a projected balance sheet and cash flow statement (Appendix 11).
- In preparing the Model, we assisted Management in developing assumptions which were incorporated into the Model. The assumptions were based on historical performance, such as days sales in AR and the number of days to pay accounts payable. Other assumptions included consistent inventory levels.

Projected Cash Flow Statement

- Genesis prepared a monthly cash flow that covers the 9-month period from April 1, 2023, to December 31, 2023.
- The cash flow shows that Genesis does not exceed the borrowing limit during the 9-month period.
- The cash flow projects monthly net cash inflows ranging from a high of \$908,802 to a burn of \$(164,539). Total net cash inflow are projected to be \$2.2 million during the cash flow period.
- Total disbursements over the cash flow period are projected to be \$23.5 million and range from a high of \$3.3 million to a low of \$1.0 million per month. Disbursements include loan repayments to FCC in the amount of \$252,929.



CASH FLOW - GENESUS INC.

► Projected Income Statement

- The revenues projected for the nine (9) month period of \$24 million are the lowest in the past five years. However, this amount does not include related party sales.
- The gross margin projected at 61.0% is approximately 10% higher than the four-year average. The highest of the four years was 56.1% in 2021 and the lowest was 45.0% in 2022. Therefore, if the gross margin is near the four-year average, the annual projected loss is approximately \$632,000.
- The four-year average selling, general, and administrative ("SG&A") expenses were \$20.2 million, or about 51% of revenue. The projection assumes similar SG&A expenses at approximately 50%.
- If a gross margin of 51% is used, the Company would have a net positive cash position of approximately \$320,000.
- The range of net cash increase(decrease) would range from a high of \$908,000 to a low of (\$164,000).
- The net income would be a loss of \$475,000. The accounts receivable amount ranges from a high of \$6.4 million to a low of \$5.5 million.

Genesis Inc.

Key Highlights of Income Statement Projections

For the period April 1, 2023 to December 31, 2023

	Projected Income Statement for the Nine Month Period		4 Year Historical Fiscal Year Average
Revenue	\$ 24,024,083		\$ 39,720,436
Cost of Sales	9,358,520		19,492,611
Gross Margins	14,665,563	61.05%	20,227,825 50.93%
SG&A	12,726,836		20,263,959
Net Income	\$ 1,938,726		(\$36,134)

Genesis Inc.

Key Highlights of Income Statement Projections

For the period April 1, 2023 to December 31, 2023

	Projected Income Statement for the Nine Month Period		Projected Income Statement for the Nine Month Period Adjusted for Gross Margin
Revenue	\$ 24,024,083		\$ 24,024,083
Cost of Sales	9,358,520		11,771,801
Gross Margins	14,665,563	61.05%	12,252,282 51.00%
SG&A	12,726,836		12,726,836
Net Income	\$ 1,938,726		(\$474,554)

Genesis Inc.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Projected Income Statement	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	2,656,377	2,653,298	2,639,865	2,726,938	2,810,482	2,674,518	2,610,985	2,625,892	2,625,728	24,024,083
Cost of Sales	1,034,785	1,033,585	1,028,353	1,062,272	1,094,816	1,041,852	1,017,103	1,022,910	1,022,846	9,358,520
Gross Margin	1,621,592	1,619,712	1,611,512	1,664,666	1,715,666	1,632,666	1,593,882	1,602,982	1,602,882	14,665,563
Gross Margin %	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%
Selling, General & Admin Expenses										
Payroll	228,393	225,383	227,602	228,393	225,383	227,602	228,393	225,383	227,602	2,044,132
Selling & Administrative	742,593	649,736	717,409	786,322	633,203	758,289	639,849	822,349	302,648	6,052,398
Factory and Warehouse Costs	162,905	165,576	106,568	187,956	155,555	164,582	142,150	244,599	132,371	1,462,262
Scientific Research & Development	263,642	298,298	217,413	272,984	283,797	310,457	208,781	202,216	132,985	2,190,573
Finance Costs	128,876	63,249	23,492	(88,743)	205,548	201,744	222,760	49,872	49,174	855,972
Depreciation	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	121,500
Total Selling, General & Admin Expenses	1,539,909	1,415,742	1,305,984	1,400,412	1,516,986	1,676,173	1,455,432	1,557,919	858,279	12,726,836
Income (Loss) from Operations	81,684	203,970	305,529	264,254	198,680	(43,507)	138,450	45,063	744,604	1,938,726

CASH FLOW - GENESUS INC.

Genesis Inc.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Projected Balance Sheet	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets									
Current Assets									
Cash	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394
Accounts Receivable - Trade	6,087,208	6,853,069	7,010,526	6,932,097	6,884,178	6,697,592	6,485,303	6,325,946	6,191,147
Shareholder Loan	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other Receivables	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729
Inventory	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220
Total Current Assets	11,185,551	11,951,413	12,108,870	12,030,441	11,982,521	11,795,936	11,583,647	11,424,290	11,289,491
Capital Assets (NBV)									
Long Term Receivable - GGI	2,688,843	2,680,343	2,671,843	2,663,343	2,654,843	2,646,343	2,637,843	2,629,343	2,620,843
Security Deposits	25,502,489	25,462,489	25,422,489	25,382,489	25,342,489	25,302,489	25,262,489	25,222,489	25,182,489
Investment in GLS	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
	330	330	330	330	330	330	330	330	330
Total Assets	39,577,213	40,294,575	40,403,532	40,276,603	40,180,183	39,945,098	39,684,309	39,476,452	39,293,153
Liabilities & Equity									
Current Liabilities									
Bank Indebtedness	6,809,905	5,901,103	5,618,112	5,257,948	5,088,057	4,985,682	4,954,542	5,119,081	4,860,590
Accounts Payable - Trade	11,791,267	13,175,733	13,726,844	13,669,628	13,488,881	13,375,829	12,957,391	12,866,902	12,091,021
Accrued Liabilities	79,554	79,554	79,554	79,554	79,554	79,554	79,554	79,554	79,554
HST Payable	(65,050)	743	74,116	128,378	211,983	263,897	342,300	43,396	177,931
Customer Deposits	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886
Corporate Taxes Payable	509,181	509,181	(819)	(819)	(819)	(819)	(819)	(819)	(819)
Accrued Vacation Payable	250,890	250,890	250,890	250,890	250,890	250,890	250,890	250,890	250,890
Venbridge SRED Loan	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other Current Liabilities	44,501	44,501	44,501	44,501	44,501	44,501	44,501	44,501	44,501
FCC Loans	2,074,838	2,046,773	2,018,708	1,990,642	1,962,577	1,934,511	1,906,446	1,878,381	1,850,315
Vehicle Loans	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605
Due To Shareholder	17,507	17,507	17,507	17,507	17,507	17,507	17,507	17,507	17,507
	26,523,084	27,036,475	26,839,904	26,448,721	26,153,622	25,962,043	25,562,804	25,309,884	24,381,981
Equity									
Share Capital	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502
Retained Earnings	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944
Cumulative Net Income	81,684	285,654	591,182	855,436	1,054,116	1,010,609	1,149,059	1,194,122	1,938,726
Total Liabilities and Equity	39,577,213	40,294,575	40,403,532	40,276,603	40,180,183	39,945,098	39,684,309	39,476,452	39,293,153
Projected Balance Sheet									

- ▶ The projected balance sheet has been prepared to illustrate the changes in assets and liabilities during the projection period that correlates with the projected income, providing insights into the available borrowing limit and the source and uses of cash.
- ▶ Total assets are projected to increase by approximately 4% (approximately \$1.6 million). This is mainly due to the increase in accounts receivable with the sales.
- ▶ The accounts receivable amount ranges from a high of \$6.4 million to a low of \$5.5 million.
- ▶ The projected balance sheet shows a reduction of approximately \$40,000 per month in the amounts due from GGI.
- ▶ The Company still suffers from a significant working capital deficiency as payables increase to cover the operational cost and reduce secured debt. The accounts payable amount ranges from a high of \$13.17 million to a low of \$11.8 million.
- ▶ The loans payable decrease except for FCC loan 723737001, which is an interest-only loan. The FCC loans decrease from approximately \$2.05 million to \$1.85 million.

Other potential cash injections

- ▶ Based on discussions with Management, the Company still has several years of SRED to file and receive their refund credits. This could amount to approximately \$5.6 million. It should be noted that SRED needs to be filed with 18 month or year end otherwise they can not claim SRED.



CASH FLOW - CAN-AM GENETICS INC.

Can-Am Genetics Inc. Projected Cash Flow Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast
CASH IN-FLOWS									
Trade Accounts Receivable (Existing)	25,558	25,558	25,558	25,558	25,558	25,558	25,558	25,558	25,558
Trade Accounts Receivable (New Sales)	89,040	155,820	200,340	222,600	222,600	222,600	222,600	222,600	222,600
TOTAL CASH IN-FLOWS	114,598	181,378	225,898	248,158	248,158	248,158	248,158	248,158	248,158
CASH OUT-FLOWS									
Overhead Costs									
SG&A Payroll and Employee Costs	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
New AP Payments - SG&A	12,136	24,272	76,546	125,091	136,278	136,278	121,362	121,362	121,362
Opening AP Payments	71,946	71,946	71,946	71,946	71,946	71,946	71,946	71,946	71,946
Net HST Remittances (Refunds)	0	0	(29,314)	0	0	0	0	(61,100)	0
Bank Charges and Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Overhead Costs	106,082	118,218	141,178	219,037	230,224	230,224	215,308	154,208	215,308
Total Operating Activities	106,082	118,218	141,178	219,037	230,224	230,224	215,308	154,208	215,308
Investing Activities									
Purchase (Proceeds) of Capital Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Financing Activities									
Agri-Food Loan	3,602	3,620	3,638	3,656	3,674	3,693	3,711	3,730	3,748
Vehicle Loans (Hespler Tractor)	475	476	476	477	477	477	478	478	478
Total Financing Activities	4,077	4,096	4,114	4,133	4,151	4,170	4,189	4,208	4,227
TOTAL CASH OUT-FLOWS	115,159	127,314	150,292	228,169	239,375	239,394	224,497	163,416	224,535
NET INCREASE (DECREASE) IN CASH	(562)	54,064	75,605	19,988	8,782	8,764	23,661	84,742	23,623

Projections

- ▶ Can-Am has prepared a long-term monthly cash flow that covers the 9-month period from April 1, 2023, to December 31, 2023. The projected balance sheet, income statement and cash flow statement is included in **Appendix 12**.
- ▶ In preparing the Can-Am Model, we assisted Management in developing assumptions which were incorporated into the Model. The assumptions were based on historical performance, such as days sales in AR and the number of days to pay accounts payable. Other assumptions included consistent inventory levels.

Projected Cash Flow Statement

- ▶ The cash position shows that Can-Am does not exceed the borrowing limit during the 9-month period.
- ▶ The cash flow projects cash inflows ranging from a high of \$248,158 to a low of \$114,598. Total receipts are projected to be \$2.01 million during the cash flow period.
- ▶ Total disbursements over the cash flow period are projected to be \$1.71 million, ranging from a high of \$239,394 to a low of \$115,159.
- ▶ The cash flow projection sees the borrowing limit remain under \$500,000, and it goes from \$(363,797) to \$(65,129).

CASH FLOW - CAN-AM GENETICS INC.

Can-Am Genetics Inc.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Projected Income Statement	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 220,000	\$ 1,980,000
Selling, General & Admin Expenses	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	845,100
Salaries and Wages	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
Factory and Warehouse Costs	11,000	11,000	44,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
Scientific Research & Development	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Finance Costs	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
Depreciation	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Total Selling, General & Admin Expenses	135,400	135,400	168,400	135,400	135,400	135,400	135,400	135,400	135,400	1,251,600
Net Income (Loss)	\$ 84,600	\$ 84,600	\$ 51,600	\$ 84,600	\$ 84,600	\$ 84,600	\$ 84,600	\$ 84,600	\$ 84,600	\$ 728,400

Projected Income Statement

- ▶ Based on the revenue projection, this amount would be the lowest in the past five years. However, this amount does not include related party sales.
- ▶ Based on the projection no consideration was given to the cost of sales. As such, we cannot compare the income statement easily to prior years income statements.
- ▶ Based on the revenue and expenses projections, Management estimate that Can-Am would earn approximately \$728,000 in the 9-month period. The net income would be substantially higher than the average of the past four years, when adjusted for government grants and other income in 2022, of a loss of \$(180,000).

Projected Income Statement

Can-Am Genetics Inc.	9 month	YTD
Selling, General and Admin Expenses	Projection	31-Mar-23
Selling expenses	\$ 4,500	\$ 4,004
Delivery expenses	270,000	93,125
Administrative expenses	27,000	9,668
Barn supplies	3,600	35,333
Feed	495,000	1,529,113
Veterinary & Medicine	45,000	32,182
Total	\$ 845,100	\$ 1,703,424

- ▶ As shown in the adjacent table the selling, general & admin expenses are made up of the following accounts selling expenses, delivery expenses, administrative expenses, barn supplies, feed, veterinary and medicine. When compared to the internal income statements as of March 31, 2023 (six (6) months into the fiscal), the feed and barn expenses appear significantly lower in the projection.
- ▶ In addition, the wages total \$274,768 as of March 31, 2023. where the projection are \$180,000 for a nine (9) month period.
- ▶ The Financial Advisor believes that the best-case scenario for the Can-Am income statement is a break-even scenario.



CASH FLOW - CAN-AM GENETICS INC.

Projected Balance Sheet

- ▶ The projected balance sheet has been prepared to illustrate the changes in assets and liabilities during the projection period that correlates with the projected income, providing insights into the available borrowing limit.
- ▶ The accounts receivable amount ranges from a high of \$660,375 to a low of \$503,732.
- ▶ If Can-Am can achieve the cash flow projection, Can-Am working capital ratio will increase from .73 to 1.04, which is a significant improvement.
- ▶ The loans payable decrease except for FCC loan 7298370001, an interest-only loan, and the Devonridge loan, a related party loan.

Other potential cash injections

- ▶ Based on discussions with Management, Can-Am may still be able to recover SRED to file and receive their refund credits. SRED could amount to approximately \$7.7 million.
- ▶ The company is also discussing with a Hutterite colony about purchasing St. Andrews Barn. Based on discussions with Management, the colony has offered \$2.8 million, and the property is appraised at \$3.2 million. The offer includes Can-Am renting the barn for a year. Management estimates that approximately \$1 million to 1.5 million would be available as a cash injection after payment of fees, the FCC and buying out the widow of one shareholder who is now deceased.

Can-Am Genetics Inc.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Projected Balance Sheet	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets									
Current Assets									
Accounts Receivable - Trade	619,153	660,375	657,077	631,520	605,962	580,405	554,847	529,290	503,732
Inventory	946,218	946,218	946,218	946,218	946,218	946,218	946,218	946,218	946,218
Prepaid Expenses	102,841	102,841	102,841	102,841	102,841	102,841	102,841	102,841	102,841
Total Current Assets	1,668,211	1,709,434	1,706,136	1,680,579	1,655,021	1,629,464	1,603,906	1,578,349	1,552,791
Capital Assets (NBV)	943,808	942,808	941,808	940,808	939,808	938,808	937,808	936,808	935,808
Total Assets	2,612,020	2,652,242	2,647,944	2,621,387	2,594,829	2,568,272	2,541,714	2,515,157	2,488,599
Liabilities & Equity									
Current Liabilities									
Bank Indebtedness	364,358	310,295	234,689	214,701	205,919	197,155	173,494	88,752	65,129
Accounts Payable - Trade	1,476,193	1,501,337	1,511,497	1,435,822	1,348,961	1,262,099	1,190,154	1,118,208	1,046,262
Accrued Liabilities	323,309	323,309	323,309	323,309	323,309	323,309	323,309	323,309	323,309
HST Payable	(17,952)	(29,314)	(15,652)	(27,014)	(38,376)	(49,738)	(61,100)	(11,362)	(22,724)
Accrued Vacation Payable	14,466	14,466	14,466	14,466	14,466	14,466	14,466	14,466	14,466
Long-term Liabilities									
Devonridge Loan	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Agri-Food Loan	105,024	101,404	97,766	94,110	90,436	86,743	83,032	79,302	75,553
FCC Loan 7298370001	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Vehicle Loans (Hespler Tractor)	19,925	19,449	18,973	18,497	18,020	17,542	17,065	16,586	16,108
Due To Genesis	52,201	52,201	52,201	52,201	52,201	52,201	52,201	52,201	52,201
	3,787,525	3,743,147	3,687,250	3,576,092	3,464,935	3,353,777	3,242,620	3,131,462	3,020,305
Equity									
Share Capital	111	111	111	111	111	111	111	111	111
Retained Earnings	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)
Cumulative Net Income	84,600	169,200	220,800	305,400	390,000	474,600	559,200	643,800	728,400
Total Liabilities and Equity	2,612,020	2,652,242	2,647,944	2,621,387	2,594,829	2,568,272	2,541,714	2,515,157	2,488,599



CASH FLOW - GENESUS GENETICS INC.

Genesus Genetics Inc. Projected Cash Flow Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
CASH IN-FLOWS										
Trade Accounts Receivable (Existing)	65,918	65,918	65,918	65,918	65,918	65,918	65,918	65,918	65,918	593,263
Trade Accounts Receivable (New Sales)	625,000	1,012,500	1,782,750	2,568,405	2,619,773	2,672,169	2,725,612	2,780,124	2,835,727	19,622,059
TOTAL CASH IN-FLOWS	690,918	1,078,418	1,848,668	2,634,323	2,685,691	2,738,087	2,791,530	2,846,042	2,901,645	20,215,323
CASH OUT-FLOWS										
Operating Activities										
Direct Costs										
Direct Labour	641,056	653,877	666,955	680,294	693,900	707,778	721,933	736,372	751,100	6,253,265
New AP Payments - COS	192,317	388,480	684,725	986,895	1,006,633	1,026,765	1,047,301	1,068,247	1,089,612	7,490,974
Total Direct Costs	833,373	1,042,357	1,351,680	1,667,189	1,700,533	1,734,543	1,769,234	1,804,619	1,840,711	13,744,239
Overhead Costs										
SG&A Payroll and Employee Costs	116,796	116,796	116,796	116,796	116,796	116,796	116,796	116,796	116,796	1,051,164
New AP Payments - SG&A	87,240	174,480	305,340	436,200	436,200	436,200	436,200	436,200	436,200	3,184,260
Opening AP Payments	447,578	447,578	447,578	447,578	447,578	447,578	447,578	447,578	447,578	4,028,206
Bank Charges and Interest	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	135,630
Total Overhead Costs	666,684	753,924	884,784	1,015,644	1,015,644	1,015,644	1,015,644	1,015,644	1,015,644	8,399,260
Total Operating Activities	1,500,058	1,796,282	2,236,464	2,682,833	2,716,177	2,750,188	2,784,878	2,820,263	2,856,356	22,143,499
Investing Activities										
Purchase (Proceeds) of Capital Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
TOTAL CASH OUT-FLOWS	1,505,058	1,801,282	2,241,464	2,687,833	2,721,177	2,755,188	2,789,878	2,825,263	2,861,356	22,188,499
NET INCREASE (DECREASE) IN CASH	(814,139)	(722,864)	(392,796)	(53,510)	(35,486)	(17,101)	1,652	20,779	40,289	(1,973,176)
CASH (INDEBTEDNESS) BALANCE										
Opening Cash (Indebtedness) Balance	(10,748)	(824,888)	(1,547,751)	(1,940,548)	(1,994,058)	(2,029,543)	(2,046,644)	(2,044,993)	(2,024,213)	
Net Increase (Decrease) in Cash	(814,139)	(722,864)	(392,796)	(53,510)	(35,486)	(17,101)	1,652	20,779	40,289	
Closing Cash (Indebtedness) Balance	(824,888)	(1,547,751)	(1,940,548)	(1,994,058)	(2,029,543)	(2,046,644)	(2,044,993)	(2,024,213)	(1,983,924)	

Projections

- ▶ GGI prepared a long-term monthly cash flow that covers the 9-month period from April 1, 2023, to December 31, 2023. All amounts are in USD. The projected balance sheet, income statement and cash flow statement is included in Appendix 13.
- ▶ The assumptions were based on historical performance, such as days sales in AR and the number of days to pay accounts payable. Other assumptions included consistent inventory levels.

Projected Cash Flow Statement

- ▶ The cash position shows that GGI needs additional cash injections of \$1.97 million by Genesus for the period to continue operations.
- ▶ The cash flow projects monthly receipts ranging from a high of \$2.9 million to a low of \$690,918. Total receipts are projected to be \$20.22 million during the cash flow period.
- ▶ Total disbursements over the cash flow period are projected to be \$22.19 million, ranging from a high of \$2.86 million to a low of \$1.5 million monthly.

CASH FLOW - GENESUS GENETICS INC.

Genesis Genetics Inc.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Projected Income Statement	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Revenue	2,500,000	2,550,000	2,601,000	2,653,020	2,706,080	2,760,202	2,815,406	2,871,714	2,929,148	24,386,571
Cost of Sales	1,602,641	1,634,693	1,667,387	1,700,735	1,734,750	1,769,445	1,804,834	1,840,930	1,877,749	15,633,163
Gross Margin	897,359	915,307	933,613	952,285	971,331	990,757	1,010,572	1,030,784	1,051,400	8,753,408
Gross Margin %	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%
Selling, General & Admin Expenses										
Payroll	102,638	102,638	102,638	102,638	102,638	102,638	102,638	102,638	102,638	923,742
Employee Costs	14,158	14,158	14,158	14,158	14,158	14,158	14,158	14,158	14,158	127,422
Selling & Administrative	256,200	256,200	256,200	256,200	256,200	256,200	256,200	256,200	256,200	2,305,800
Factory and Warehouse Costs	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,620,000
Finance Costs	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	135,630
Depreciation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000
Total Selling, General & Admin Expenses	572,066	572,066	572,066	572,066	572,066	572,066	572,066	572,066	572,066	5,148,594
Income (Loss) from Operations	325,293	343,241	361,547	380,219	399,265	418,691	438,506	458,718	479,334	3,604,814

Projected Income Statement

- ▶ The Model is projected for the 9 months ended December 2023.
- ▶ The revenue assumptions used in the Model resulted in forecasted revenue totaling \$24.39 million, averaging approximately \$2.71 million per month. Actual year to date sales reported by GGI for January to March 2023 total \$2.99 million, averaging \$997,897 per month. This is lower than the forecasted amounts. Management has indicated it expects sales to increase during the Cashflow Period as a direct result of:
 - Farm Credit Canada's 2023 hog sector outlook released February 2023, predicting an increase in prices;
 - A new contract potentially coming online in May/June with Iowa Select. Management is projecting the Iowa Select contract to add \$47,000 - \$57,000 in weekly revenue, however, final details have not been determined; and
 - Optimism of the growing sales in the domestic American market
- ▶ Management was unable to provide an executed Iowa Select contract or any type of support for its sales assumptions.
- ▶ Total direct costs for the cashflow period are forecast to be \$13.74 million.
- ▶ Direct Costs consist of labour, material, subcontractors and overhead and are considered part of GGI's cost of goods sold. GGI has estimated these costs make up 64.11% of revenue. GGI to kept their gross margins consistent at 35.89%. This assumption seems to be in line with FY2021 (internal) margins and costs.
- ▶ Payroll is estimated to be \$116,796 per month resulting in a total of \$1.05 million for the Cash flow Period. Payroll is administered by a third-party payroll provider - Ceridian Small Business. The most recent payroll register provided reports GGI having eight (8) employees.
- ▶ Total SG&A expenses over the cash flow period total \$4.08 million. We compare the SG&A expenses to historical results and found these costs as a percentage of sales are not consistent with historical operating results. The amounts include in the GGI Model, comparatively, are understated. The major areas of concern include:
 - GGI has feed expense at \$50,000 per month in the cash flow. According to GGI's March figures, year to date GGI has already spent on average \$261,109 per month on feed. In FY2022, feed expense was 13.15% of revenue; however, the forecast only allocates feed at 2.46% of revenue.
 - Vet expenses have been projected at \$8,700 per month. As of March 31, 2023, GGI had already spent on average \$25,487 per month for the year.
- ▶ Management advises that current SG&A may be excessive for the current level of sales reported, accordingly, despite the projected increase in sales, Management is confident the SG&A expenses will remain constant and has not projected any increases through the Cashflow Period.



CASH FLOW - GENESUS GENETICS INC.

GENESUS GENETICS INC. Income Statement Summary in USD	E&Y External Review 2019	E&Y External Review 2020	Internal financials 2021	Internal financials 2022	Internal financials 31-Mar-23
Sales	\$ 19,565,605	\$ 16,914,018	\$ 23,501,674	\$ 22,977,343	\$ 2,993,691
Direct Costs	19,118,281	17,916,646	15,080,348	15,419,086	1,711,085
Gross profit	447,324	(1,002,628)	8,421,326	7,558,257	1,282,607
Gross Profit margin %	2.29%	-5.93%	35.83%	32.89%	42.84%
Operating expenses	5,074,776	5,590,420	11,305,572	10,279,858	2,118,857
Other income - Gov't relief, note 1	-	1,883,288	-	-	-
Operating income/(loss)	(4,627,452)	(4,709,760)	(2,884,245)	(2,721,601)	(836,251)
Genesis Inc. - admin fees, note 2	524,982	518,396	-	-	-
Net income(loss) before taxes	(\$ 4,102,470)	(\$ 4,191,364)	(\$ 2,884,245)	(\$ 2,721,601)	(\$ 836,251)

Notes:

1. Includes \$1.5 million in subsidy grant provided by United States Department of Agriculture under the Coronavirus Food Assistance Program and \$383,288 in forgivable Paycheck Protection Program.

2. Internal administrative fees paid to Genesis Inc. were not identifiable or separated on the internally produced statements.

- ▶ A sensitivity analysis was completed whereby the average gross margin for FY2018 - FY2022 (16.22%) was used to determine the direct costs as a percentage of sales, while keeping the forecasted revenue for the cash flow period constant. It is noted the FY2021 and FY2022 results were produced internally, versus the externally produced results for FY2018 - FY2020 and as such, the reported figures may not be classified in the same manner as the externally prepared statements.
- ▶ The sensitivity analysis resulted in direct costs increasing to 83.78% of revenue, for a total of \$17.96 million for the Cashflow Period. This would result in the erosion of the projected \$1.96 million cash deficit for the Cash flow Period further to a \$6.18 million deficit.
 - . Management is projecting the Iowa Select contract to add \$47,000 - \$57,000 in weekly revenue, however, final details have not been determined; and
 - Optimism of the growing sales in the domestic American market
- ▶ Management was unable to provide an executed Iowa Select contract or any type of support for its sales assumptions.
- ▶ Total direct costs for the cashflow period are forecasted to be \$13.74 million.
- ▶ Sales have increased 17.4% through FY2022. Management is projecting FY2023 sales of \$24.4 million. Reported sales through the first quarter of FY2023 were approximately \$2.99 million. Management has advised current month sales to April 21, 2023, are approximately \$220,000 however an accurate sales figure will not be determined until April month end is closed, and all sales are recorded;
- ▶ Direct Costs have decreased 19.3% over this same period, although operating expenses have more than doubled;
- ▶ Gross profit margin for FY2019 and FY2020, the externally produced statements, show 2.29% and -5.93% respectively. Conversely, the gross profit margins reported for the internally produced statements range from 32.89% - 42.84% due to the reported increased Sales and reduced Direct Costs. Caution should be noted that the figures presented on the internally prepared financial statements may not be classified in the same manner as the externally prepared statements, thereby potentially distorting the Gross Profit Margin calculations; and
- ▶ GGI has reported losses each fiscal year in the Fiscal Period and has reported a loss of \$836,251 for the first quarter of FY2023.

GGI has been and continues to be heavily reliant on financial assistance from Genesis Inc. for its continued operations. Although Management is confident sales revenue will continue to grow through FY2023 and the following years, there is no concrete plan to repay Genesis Inc. or conclusive evidence that GGI will become self reliant.



CASH FLOW - GENESUS GENETICS INC.

Genesis Genetics Inc.	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Projected Balance Sheet	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Assets									
Current Assets									
Accounts Receivable - Trade	\$ 3,127,445	\$ 4,599,027	\$ 5,351,358	\$ 5,370,055	\$ 5,390,444	\$ 5,412,560	\$ 5,436,436	\$ 5,462,108	\$ 5,489,611
Other Receivables	150	150	150	150	150	150	150	150	150
Inventory	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922
Prepaid Expenses	500	500	500	500	500	500	500	500	500
Total Current Assets	6,293,016	7,764,598	8,516,930	8,535,627	8,556,016	8,578,131	8,602,007	8,627,679	8,655,183
Capital Assets (NBV)	181,677	182,677	183,677	184,677	185,677	186,677	187,677	188,677	189,677
Security Deposits	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Total Assets	6,488,193	7,960,774	8,714,106	8,733,803	8,755,192	8,778,308	8,803,184	8,829,855	8,858,359
Liabilities & Equity									
Current Liabilities									
Bank Indebtedness	824,888	1,547,751	1,940,548	1,994,058	2,029,543	2,046,644	2,044,993	2,024,213	1,983,924
Accounts Payable - Trade	23,049,569	23,456,047	23,455,036	23,041,004	22,627,642	22,214,966	21,802,987	21,391,720	20,981,179
Accrued Liabilities	18,453	18,453	18,453	18,453	18,453	18,453	18,453	18,453	18,453
Corporate Taxes Payable	630	630	630	630	630	630	630	630	630
Due to Genesis	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973
Long-term Liabilities									
Lease Inducement	797,700	797,700	797,700	797,700	797,700	797,700	797,700	797,700	797,700
Equity									
Share Capital	150	150	150	150	150	150	150	150	150
Retained Earnings	- 19,572,464	- 19,572,464	- 19,572,464	- 19,572,464	- 19,572,464	- 19,572,464	- 19,572,464	- 19,572,464	- 19,572,464
Cumulative Net Income	325,293	668,534	1,030,081	1,410,300	1,809,565	2,228,256	2,666,762	3,125,480	3,604,814
Total Liabilities and Equity	\$ 6,488,193	\$ 7,960,774	\$ 8,714,106	\$ 8,733,803	\$ 8,755,192	\$ 8,778,308	\$ 8,803,184	\$ 8,829,855	\$ 8,858,359

Projected Balance Sheet

- ▶ The projected balance sheet has been prepared to illustrate the changes in assets and liabilities during the projection period that correlates with the projected income, providing insights into the available borrowing base and the source and uses of cash.
- ▶ The accounts receivable amount ranges from a high of \$5.5 million to a low of \$3.1 million.
- ▶ If GGI can achieve the cash flow projection, GGI working capital ratio will increase from .26 to .38 which is an improvement but still not ideal.
- ▶ Included in the AP is the amounts owing to Genesis, which based on the Genesis cash flow projection was to be reduced by \$40,000 a month. However, the only way to cover the cash shortfall is an injection from Genesis.

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APPENDIX - 01 - ENGAGEMENT LETTER



BDO Canada Limited
920, 10130 103 Street NW
Edmonton, Alberta T5J 3N9

Attention: David Lewis, CPA, CIRP, LIT

March 13, 2023

Dear Sirs:

Re: Genesus Inc., Genesus Genetics, Inc. and Can-Am Genetics Inc. (collectively known as the "Companies")

Background

The Companies is currently indebted to the Bank of Montreal (the "Lender" or "BMO") to assess and report on the Lender's security position. The Companies have granted and may from time to time grant additional security in favor of the Lender charging the Companies' assets and undertaking as continuing collateral security for the Companies' present and future indebtedness and obligations to the Lender (the "Security").

The purpose of this letter is to confirm the terms upon which the Lender has engaged BDO Canada Limited ("BDO") as its financial advisor.

Scope of Engagement

BDO has been retained by the Lender to provide the following financial and other advisory services in respect of the Companies:

- Review the financial and business affairs of the Companies;
- Review the Companies' cash flow requirements on a long-term basis;
- Review the Companies' current financial position including, but not limited to, an analysis of the Companies's contracts, assets, liabilities, contingent liabilities, and future obligations;
- Review pending litigation or claims against the Companies;
- Review and analyze the Lender's security position;
- Review and ensure that CRA obligations are up to date; and
- Such other advice, reports and general financial advisory services as may be agreed upon by the Lender and BDO from time to time.

We wish to stress that BMO is desirous of BDO working in a cooperative, harmonious, professional, and courteous manner. In other words, BDO is to work hand in hand with the Companies' management to identify, assist with and resolve the issues currently being experienced by the Companies.

The follow terms shall govern the mandate of the Consultant:

1. In its role as financial advisor, the Consultant will not undertake any management or decision-making responsibilities in connection with the Companies and will not assume any possession or control of the property or operations of any of the Companies for any purpose.
2. We understand that part of your analysis will be based upon unaudited financial information of the Companies and that you are not required to conduct an audit or valuation of the same.
3. The Consultant is to report its observations, findings, analysis, and any recommendations directly to the Lender. Such reports will be provided orally on a regular basis and the Consultant is to prepare such written report(s) at such time(s) as may be agreed with the Lender. In addition, Consultant shall inform the Lender of any material facts, circumstances or developments which may materially adversely affect the operations of financial situation of the Companies or the Lender's loan and security position as soon as the Consultant becomes aware of the same. Any reports, memorandums and comments prepared by the Consultant will be solely for the use of the Lender, its representatives, and any other advisors.
4. The services to be rendered by the Consultant may include the analysis of financial projections prepared by management and other forward-looking statements ("Projections"). We understand that numerous factors can affect the actual results of the Companies, which may materially and adversely differ from those Projections. The Consultant does not make any representation or guarantee as to the accuracy of the Projections. Furthermore, the Consultant assumes no responsibility for the Projections and selection of any strategic alternative based on such Projections.
5. The Consultant agrees that all the information relating to the Companies and not publicly available, which is received from the Companies, the Lender or third parties in connection with this engagement will be treated confidentially by your firm to the same extent as the Bank under its obligations of confidentiality to the Companies.

The Lender may at any time instruct BDO to cease its review and/or not to report on any of the above noted matters.

The Lender agrees to cooperate with BDO and provide BDO with all information and records in its possession regarding the Companies which BDO may request.

Reporting

BDO shall report directly to the Lender in writing or as otherwise requested by the Lender.

All reports issued by BDO may be issued solely to the Lender, and the Companies may not be provided with access to any information or recommendations provided by BDO to the Lender. However, to ensure the accuracy of the factual basis upon which the recommendations and analysis will be based, BDO may provide the Companies with a summary of the factual basis and provide the Companies with an opportunity to respond.

The Lender acknowledges that the Consultant's ability to complete its manage is depend upon such cooperation and the Companies fulfilling their other obligations outlined in the attached Companies

Consent and Agreement that delay in providing information or access may result in a delay of the completion of your work and higher costs.

Consent of Debtor

As outlined in the attached Consent, Authorization and Acknowledgement, the Companies has consented to the Consultant's engagement by the Lender and will provide, among other things, the full cooperation of management and unrestricted access to the Companies' books and records. In addition, the Companies have waived any potential conflict of interest that could be claimed should the Consultant be appointed as a trustee in bankruptcy, receiver or receiver and manager, or CCAA monitor for all or any of the Companies.

The Lender acknowledges that BDO's ability to complete its mandate is dependent upon such cooperation and the Companies fulfilling its other obligations outlined in the attached Consent, Authorization and Acknowledgement.

The Lender

Staffing

This engagement will be under the direction of David Lewis, Senior Vice President, who will maintain overall responsibility for the engagement on behalf of BDO. BDO is authorized to use any of its employees or outside agents, as BDO considers necessary, in the investigation of the affairs of the Companies.

The members of the engagement team may be drawn from the resources of BDO and those of its affiliated and related partnerships and corporations, including those of other BDO member firms in countries outside of Canada, as deemed appropriate, during the conduct of this engagement.

Fees/Remuneration

The Lender agrees that BDO's fees for this engagement will be based upon hours spent by those individuals assigned to this matter plus GST and expenses including, plus out-of-pocket disbursements. Travel and related expense will not be charged as part of this engagement. Professional fee in respect of the mandate outlined above will be based upon your hourly rates as follows:

Partners	\$475 per hour
Managers/Senior Managers	\$275 - 375 per hour
Administrative/Seniors	\$150 - \$250 per hour

The Companies shall be responsible for payment of BDO's invoices; however, the Lender agrees to guarantee payment of BDO's fees and expenses.

Other Matters

The Lender acknowledges that:

1. it will independently assess the carrying value and loan provision to be applied to the relevant debt;
2. it will not rely on the BDO's work product as the sole or principal basis for that assessment;

3. BDO is only providing advice in connection with this engagement. BDO will not exercise any managerial or administrative authority, direction or control over the businesses or affairs of the Companies, interfere with the conduct of the Companies' business, sign cheques or otherwise take part in the management of the Companies' affairs;
4. BDO's review will be based mainly on information supplied by the Companies and the Lender and supplemented by discussions with management. The Lender understands that, although all information gathered will be reviewed for reasonableness, BDO will not be conducting an audit as part of this engagement. Therefore, BDO's work will not necessarily disclose any errors, irregularities, or illegal acts, if such exist, on the part of the Companies or their officers and employees; and,
5. it has received BDO's email dated February 15, 2023, wherein BDO disclosed the results of certain searches, and agrees that the engagements outlined therein do not constitute a professional conflict relative to this engagement and hereby provides its informed consent thereto.

Limitation on Liability

The Lender agreed that the Consultant shall not be liable to the Lender for any actions, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the greater of (i) \$1,000,000, and (ii) three (3) times the fees paid by the Lender (Or Companies) to the Consultant under the engagement.

In no event shall the Consultant be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits, and opportunity costs).

For the purposes of this section, the term Consultant shall include its associated and affiliated entities and their respective partners, directors, officers, and employees. The provision of this section shall apply regardless of the form of action, damage, claim liability, costs, expense, or loss, whether in contract, statute, tort (including without limitation negligence) or otherwise.

Notwithstanding the first paragraph of this section, the Consultant will accept liability without limit for (1) death or personal injury caused by its negligence, or the negligence of its employees acting in the course of their employment, (ii) any fraudulent pre-contractual misrepresentations made by the Consultant on which the Lender can be shown to have relied, (iii) Consultant's gross negligence, fraudulent behavior, criminal or intentional misconduct relating to the services provided hereunder; and (iv) any other liability which by Law the Consultant cannot excluded. This does not in any way confer greater rights than the Lender would otherwise have at law or in equity.

This section shall survive the expiration or termination of the engagement.

BDO's acceptance of this appointment is conditional on obtaining the Companies' consent to the appointment substantially in the form of consent attached hereto.

This letter may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which, when taken together, shall constitute one and the same letter.

Standard Terms and Conditions

Our Standard Terms and Conditions are attached as Appendix 1. You should ensure that you read and understand them. The Standard Terms and Conditions include clauses that limit our professional liability.

Acknowledgement and Agreement

Provided that this Agreement is satisfactory to you, please sign and return the attached copy of the Agreement to indicate your acceptance of it. If you have any questions concerning the Agreement, please contact us before signing it.

We are proud to serve you and we appreciate your confidence in our work.
Yours very truly,

Bank Of Montreal

Per:  _____

Name: Ed Barrington, Senior Account Manager
I have the authority to bind the Lender

Agreed to this 13 day of March 2023.

BDO Canada Limited hereby consents to act as Financial Advisor to the Lender in accordance with the terms of the foregoing dated this 13 day of March 2023.

BDO Canada Limited

Per:  _____

Name: David Lewis, CPA, CIRP, LIT
Senior Vice President

Appendix 1 - Standard Terms and Conditions

1 Overview and Interpretation

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations, or understandings, whether oral or written, with respect to Services, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

This Agreement - these Standard Terms and Conditions, the letter to which they are attached, any supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years

Services - the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter

We, us, our, BDO - refer to BDO Canada Limited, a corporation organized under the federal laws of Canada

You, your - the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - all non-public proprietary or confidential information and Personal Information, including Client Documents

Personal Information - personal information that is or could be attributed to identifiable individuals

Client Documents - information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services

2 BDO Network and Sole Recourse

2.1 BDO is an affiliate of BDO Canada LLP, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.

2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above, as well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under this Agreement.

3 Respective Responsibilities

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.
- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4 Working Papers and Deliverables

- 4.1 **Ownership** - The working papers prepared pursuant to this Agreement (i.e. BDO's internal documentation to substantiate the Services) are the property of BDO. Such working papers constitute confidential and proprietary information, and will be retained by BDO in accordance with our policies and procedures and all applicable laws.
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you, and are intended for the benefit of only you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.

5 Confidentiality

- 5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. We will not disclose any Confidential Information, except where required by law, regulation, or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.

6 Analytics

- 6.1 Notwithstanding any other provision, BDO uses Confidential Information to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings and for data analytics and other insight generation, including by aggregating de-identified data. Information developed in connection with these purposes may be used or disclosed to current or prospective clients as part of service offerings, however BDO will not use or disclose any Confidential Information in a way that would permit you to be identified.

7. Privacy and Consent for Use of Personal Information

- 7.1 In order to provide our Services, we may be required to access and collect Personal Information of individuals that is in your custody. You agree that we may collect, use, store, transfer, disclose and otherwise process Personal Information as required for the purpose of providing the Services. Personal Information may be processed in various jurisdictions in which we or applicable BDO Member Firms and subcontractors providing Services operate and as such Personal Information may be subject to the laws of such jurisdictions. Personal Information will at all times be collected, used, stored, transferred, disclosed or processed in accordance with

applicable laws and professional regulations and we will require any service providers and BDO Members that process Personal Information on our behalf to adhere to such requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>.

7.2 You represent and warrant that:

- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
- (b) the Personal Information provided to us has been provided in accordance with applicable law, and you have obtained all required consents of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.

8 Professional and Regulatory Oversight and Legal Processes

8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.

8.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.

8.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.

9 Electronic Communications

9.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

10 Limitation of Liability

10.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

10.2 In no event shall BDO be liable for indirect, consequential, special, incidental, aggravated, punitive damages, or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.

10.3 Intentionally deleted

- 10.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 10.5 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 10.6 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.
- 10.7 For purposes of this Section, the term "BDO" shall include BDO Canada Limited and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute, tort (including without limitation, negligence) or otherwise.
- 11 Intentionally deleted**
- 12 Alternative Dispute Resolution**
- 12.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation, validity, breach or termination, or the Services provided hereunder, through good faith negotiations.
- 12.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 12.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator or such longer period as the parties mutually agree upon shall be referred to and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision whatsoever. The parties hereby waive any such right of appeal or judicial review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

13 Limitation Period

- 13.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 13.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 13.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

14 Québec Personnel

- 14.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. Any limitation of liability clauses in this Agreement shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

15 Termination

- 15.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).
- 15.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

16 Governing Laws

- 16.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

17 Survival

- 17.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

18 Force Majeure

- 18.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

19 Assignment

- 19.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

20 Severability

- 20.1 The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.

CONSENT, AUTHORIZATION AND ACKNOWLEDGEMENT

To: BDO Canada Limited

To: BANK OF MONTREAL (the "Lender")

June 3, 2022

Dear Sirs:

Genesis Inc., Genesis Genetics, Inc. and Can-Am Genetics Inc. (collectively known as the "Companies")

The Companies is currently indebted to Bank of Montreal (the "Lender") and has granted and may from time to time grant additional security in favor of the Lender charging the Companies' assets and undertaking as continuing collateral security for the Companies' present and future indebtedness and obligations to the Lender (the "Security").

The Companies acknowledges that it has consulted with such advisors as it has considered necessary and hereby provides its informed consent to the engagement of BDO Canada Limited ("BDO") by the Bank of Montreal (the "Lender") for the purposes and in accordance with the terms set out in the attached engagement letter from the Lender to BDO (the "Engagement Letter").

The Companies agrees to authorize and direct its employees and advisors (including its accountants, auditors, solicitors, insurance agents, environment consultants and appraisers) to cooperate fully with BDO. The Companies agrees to fully cooperate with BDO and to provide BDO complete and unrestricted access to its premises and provide BDO promptly upon request with all information and records of every kind and description, including, without limitation, banking, investment and other records, documents, information, and files, which BDO may request, in connection with its engagement, and agrees to meet with BDO to provide whatever analysis and explanations BDO may reasonably require. The Companies further agrees to use reasonable skill, care, and attention to ensure that all information provided to BDO is accurate and complete and to notify BDO if it subsequently learns that the information provided is incorrect, inaccurate, or otherwise should not be relied upon.

The Companies agrees that BDO may make and retain copies of all documents or records it considers appropriate to discharge its mandate and that BDO will be entitled to communicate freely with the Lender regarding its engagement.

The Companies agrees that all reports issued by BDO may be issued solely to the Lender and that the Companies may not be provided with access to any information or recommendations provided by BDO to the Lender. However, to ensure the accuracy of the factual basis upon which the recommendations and analysis will be based, BDO may provide the Companies with a summary of the factual basis and provide the Companies with an opportunity to respond.

The Companies acknowledges that BDO shall have and will assume no decision-making responsibilities, will have no management capacity, will not offer advice or direction to, or exercise any degree of control over the business and affairs of the Companies and that BDO will not be responsible for any decisions or actions of the Companies.

BDO will have no duty of care to the Companies and the Companies specifically acknowledges that nothing contained herein will constitute an arrangement, agreement, or relationship between the Companies and BDO arising from or based, directly, upon BDO's engagement.

The Companies acknowledges that the engagement of BDO is not an act of enforcement of the Security and that BDO is not the owner of nor is it in charge, management, custody, or control of any real property owned or occupied by the Companies, its other property, and assets, nor of its business and affairs.

The Companies acknowledges that, by virtue of the Lender's engagement of BDO, the Lender is not waiving any of its rights and remedies available to it under any present or future agreement between the Lender and the Companies including, without limitation, the Security.

The Companies agrees that the Companies will not object to the appointment of BDO and that BDO can be appointed as receiver, receiver and manager, monitor, trustee in bankruptcy or otherwise of the Companies or any property and assets of the Companies and that such appointment shall not be a conflict of interest by virtue of BDO having been retained by the Lender or the relationships disclosed above.

The Lender agrees that BDO's fees for this engagement will be based upon hours spent by those individuals assigned to this matter plus GST and expenses including, plus out-of-pocket disbursements. Travel and related expense will not be charged as part of this engagement. Professional fee in respect of the mandate outlined above will be based upon you hourly rates as follows:

Partners	\$475 per hour
Managers/Senior Managers	\$275-375 per hour
Administrative/Seniors	\$150-\$250 per hour

The Companies shall be responsible for payment of BDO's invoices; however, the Lender agrees to guarantee payment of BDO's fees and expenses.

BDO may be required to keep confidential all information it obtains regarding the Companies and its business, assets, and affairs during its engagement hereunder to the same extent as such duty of confidentiality applies to the Lender. Without limiting the generality of the foregoing, the Companies specifically waives any duty of confidentiality which either BDO or the Lender may have with respect to any such confidential information obtained by BDO and delivered to the Lender in connection with BDO's engagement hereunder. The Companies specifically authorizes BDO and the Lender to divulge such information pursuant to any Court proceeding commenced by or to which the Lender is a party or in connection with the exercise of any of the Lender's remedies against the Companies including, without limitation, enforcing the Security or to any potential assignee of the Lender's debt and Security.

All of the foregoing is acknowledged and agreed to by the undersigned this 13 day of March 2023.

Yours very truly,

Genesis Inc. Genesis Genetics Inc. and Can-Am Genetics Inc. (collectively known as the "Companies")

Per: _____

Name: Jim Long

I have the authority to bind the Companies



APPENDIX - 02 - SHARE PURCHASE AGREEMENT

Can-Am Genetics Company Sale

Bonnie Friesen, on behalf of Larry Friesen Family Trust, is referred to as SELLER, and Genesis Inc, referred to as the PURCHASER, agree:

In consideration of one dollar (\$1.00) paid by the PURCHASER to SELLER, the receipt of which is acknowledged, the SELLER grants to PURCHASER, the exclusive right to acquire the company CAN-AM GENETICS.

The total commitment to purchase the company of CAN-AM GENETICS would be \$1.00.

One Canadian dollar (\$1.00) balance of said purchase price paid via EFT on 1st day in the month of May in the year of 2023 .

Any peril experienced by CAN-AM GENETICS during this purchase period are to be covered by CAN-AM GENETICS existing insurance coverage, and not the Larry Friesen Family Trust.

This sale is conditional on the purchase by Genesis Inc of all of the issued capital stock of Can-Am Genetics Inc. The PURCHASER has the right to purchase CAN-AM Genetics until May 31st, 2023, subject to the execution of a final Share Purchase Agreement ("SPA") to be prepared by the Can-Am Genetics Inc. legal counsel.

Sale of Shares of Can-AM Genetics

Purchase Agreement for Common Shares

Bonnie Friesen, on behalf of Larry Friesen Family Trust and 5390592 Manitoba Ltd, is referred to as SELLER, and Genesis Inc, referred to as PURCHASER, agree:

In consideration of one Canadian dollar (\$1.00) paid by the PURCHASER to SELLER, the receipt of which is acknowledged, the SELLER transfers to the PURCHASER, all the CAN-AM GENETICS shares. This includes the following:

All Class A Common Shares – Larry Friesen Trust

Class B Preference Shares – 5390592 Manitoba Ltd

The sale and purchase of the above-noted shares will include all the company assets and equity and assumption of all existing liabilities, including all past and future obligations related to the operation and maintenance of the lagoons and related infrastructure and compliance with environmental regulations and requirements. The SPA shall include provisions for the indemnification of the Seller, being Bonnie Friesen personally, as director and officer, and the Larry Friesen Family Trust and 5390592 Manitoba Ltd. for any and all liabilities as noted above, and where possible the express releases from third parties in favour of the said Sellers from any and all existing guarantees and covenants, financial and otherwise."

If, prior to exercise of purchase, or during the period between notice of intention to close and closing, any part of the business shall be destroyed or damaged by fire, theft or other peril, the option price shall be reduced in a sum sufficient to compensate PURCHASER for the loss. In the event that there are insurance proceeds to reconstruct the loss and provide for business interruption loss, and SELLER assigns the same to PURCHASER, or SELLER reconstructs the same prior to closing, no abatement of purchase price shall occur.

During the course of the sale, the SELLER shall carry on the business in the usual and ordinary manner to and including the closing date of the sale, and will not enter into any agreements not in the ordinary course of its business. Further, SELLER shall not enter into any unusual agreements or make unusual commitments affecting the operation of the business, without prior approval of PURCHASER.



In no event shall PURCHASER cancel, alter or amend its obligations under the following agreements, nor shall it fail to perform the obligations related to the following agreements:

All sums paid for the purchase shall be fully earned by the SELLER upon payment.

The parties have negotiated this agreement between themselves, and there are no brokers or agents entitled to compensation. In the event that any brokers or agents seek compensation herein, the parties shall each indemnify the other from any damage, expense including counsel fees, which either may suffer as a result of the claim of a broker or agent, and the party who is determined to have breached this representation shall be responsible for payment of indemnity and the obligation to the broker or other agent.

This writing accurately sets forth the agreement between the parties and this agreement may only be amended in writing signed by both parties. The SELLER, on behalf of the Larry Friesen Family Trust and 5390592, will be released and be indemnified from any and all liabilities related to CAN-AM Genetics.

GENESUS INC.

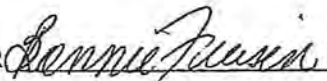
PER: 

DATED: 04/29/23

Jim Long

I have the authority to bind the corporation

Larry Friesen Family Trust.

PER: 

DATED: 04/29/23

Bonnie Friesen

I have the authority to bind the corporation

APPENDIX - 03 - PIG ATTRIBUTES

Landrace Pigs

- ▶ Landrace pigs are known for:
 - Having a good feed conversion ratio, meaning they can convert feed into meat efficiently;
 - Producing large litters of uniform piglets;
 - Excellent maternal instincts; and
 - Being used in crossbreeding programs to improve the productivity of other pig breeds and have a well-established reputation as a high-quality pig breed.

Duroc Pigs

- ▶ Duroc pigs are known for:
 - Excellent meat quality (well-marbled and tender meat) that many consumers favour;
 - Fast growth rate;
 - Efficient feed conversion; and
 - Being commonly used in crossbreeding programs to improve the meat quality and productivity of other pig breeds.
 - They are generally docile and easy to handle, making them popular among pig farmers. They are adaptable to a wide range of climates and Management systems, making them a versatile breed.

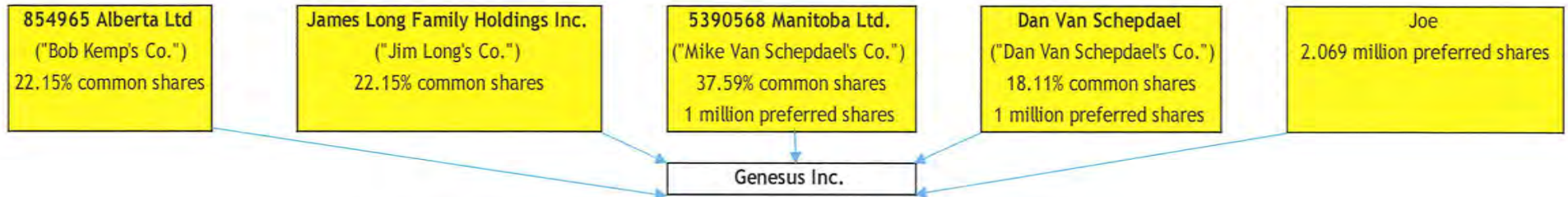
Yorkshire Pigs

- ▶ Yorkshire pigs are known for:
 - Excellent meat quality;
 - Good feed conversion ratio; and
 - Producing large litters of uniform piglets.
 - Being commonly used in crossbreeding programs to improve the meat quality and productivity of other pig breeds. In addition, they are generally docile and calm temperament making them easy to handle and a popular choice for pig farmers.



APPENDIX - 04 - OWNERSHIP CHART

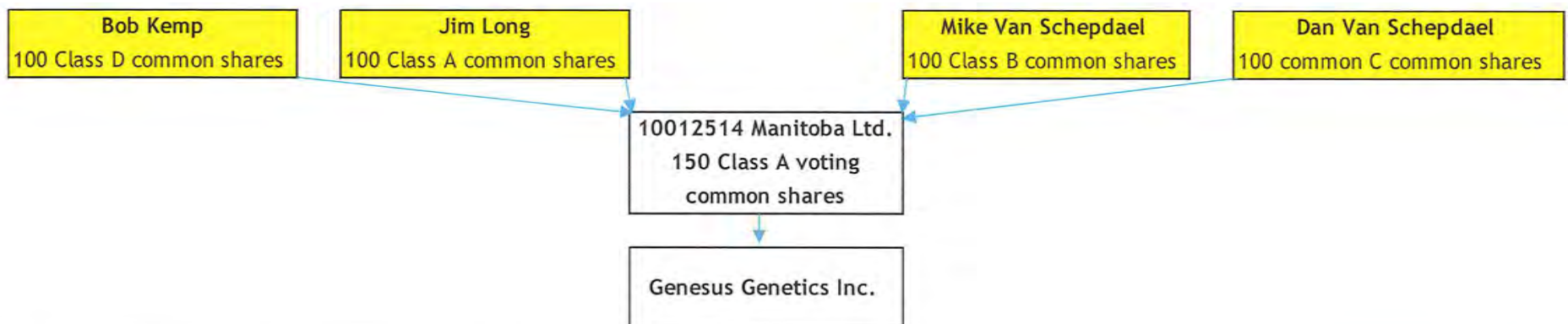
Genesis Inc.



Can-Am Genetics Inc.



Genesis Genetics Inc.





APPENDIX - 05 - GENESUS INC. - BALANCE SHEET AND INCOME STATEMENT DATED JANUARY 31, 2023

Account Schedule

5/2/2023

Page 1

GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Balance	
Assets		
Current Assets		
CIBC - USD	1,394.16	1,394.16
BMO - CDN \$	-7,102,218.32	-7,102,218.32
BMO - USD \$	-7,683.50	-7,683.50
Allowance for Doubtful Account		
Accounts Receivable - Canadian	2,234,896.00	2,234,896.00
Accounts Receivable - USD	26,740,953.32	26,740,953.32
Accounts Receivable - RMB	296,410.36	296,410.36
Accounts Receivable - RUB	49,476.25	49,476.25
Accounts Receivable - EUR	379,821.74	379,821.74
Accounts Receivable - GBP	259,678.05	259,678.05
Due from Shareholder	-17,507.20	-17,507.20
Shareholder Loan	100,000.00	100,000.00
Due from High Country Swine		
Due from Genesis Genetics, Inc.	54,658.02	54,658.02
Forward Contracts		
Due from Can-Am Genetics	40,000.00	40,000.00
Due from Genesis Life Science (GLS)	695,751.06	695,751.06
Due from Genesis Sarl (France)	175,147.19	175,147.19
Due from Genesis Swine Genetics (GSG) UK	2,349.92	2,349.92
Other Receivables	229,821.93	229,821.93
Other Prepaid Expenses		
Inventory Clearing	656,532.15	656,532.15
Bagot Inventory	489,844.32	489,844.32
Royal Lean Inventory		
Canadian AI - Boars	201,306.00	201,306.00
Durand Barrows	62,100.68	62,100.68
Durand Gilts	309,789.13	309,789.13
Van Dewest Finisher		
Prairie Blossom sows	335,009.00	335,009.00
DGI Sows	455,176.00	455,176.00
DGI Offspring	621,243.80	621,243.80
Martin Sows	537,500.00	537,500.00
Inventory - Stud Boars	130,719.00	130,719.00
Total Current Assets	27,932,169.06	27,932,169.06
Fixed Assets		
Computer Equipment		
Computer Software	124,070.75	124,070.75
Computer Hardware	200,761.78	200,761.78
Accumulated Amortization	-307,808.68	-307,808.68

Account Schedule

5/2/2023

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Balance	
NBV, Computer Equipment	17,023.85	17,023.85
Technical Equipment - SRED		
Tech Equipment - SRED	398,405.56	398,405.56
Accumulated Amortization	-310,511.29	-310,511.29
NBV, Technical Equipment - SRED	87,894.27	87,894.27
Barn Equipment		
Barn Equipment, Canadian AI	134,022.84	134,022.84
Accumulated Amortization	-79,653.51	-79,653.51
Other Barn Equipment	189,367.21	189,367.21
Accumulation Amortization	-40,207.47	-40,207.47
NBV, Total Barn Equipment	203,529.07	203,529.07
Furniture		
Furniture - Boar's Head	129,044.12	129,044.12
Acc. Dep'n -Boar's Head	-90,131.79	-90,131.79
NBV, Furniture	38,912.33	38,912.33
Vehicles		
Vehicles	1,381,265.82	1,381,265.82
Accumulated Amortization	-1,080,917.76	-1,080,917.76
NBV, Vehicles	300,348.06	300,348.06
Office Equipment	111,588.71	111,588.71
Accumulated Amortization	-109,419.57	-109,419.57
NBV, Office Equipment	2,169.14	2,169.14
Shop Equipment		
Shop Equipment	12,332.90	12,332.90
Accumulated Amortization	-12,332.90	-12,332.90
NBV, Shop Equipment		
Buildings		
Building - Oakville	212,510.27	212,510.27
Acc. Dep'n - Oakville Building	-114,350.33	-114,350.33
NBV, Oakville Building	98,159.94	98,159.94
Boar's Head - Winnipeg	1,826,623.96	1,826,623.96
Accumulated Amortization	-278,470.65	-278,470.65
NBV, Boar's Head - Winnipeg	1,548,153.31	1,548,153.31
Canadian Centre for Gene Transfer	554,719.85	554,719.85
Acc. Dep'n - Canadian AI	-153,567.12	-153,567.12
NBV, Canadian Centre for Gene Transfer	401,152.73	401,152.73
Total Buildings	2,047,465.98	2,047,465.98
Other Assets		
Security Deposits Paid	200,000.00	200,000.00
NBV, Other Assets	200,000.00	200,000.00

Account Schedule

5/2/2023

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Balance	
Total Fixed Assets	30,629,511.76	30,629,511.76
Investments		
Investment in Genetic Rights	500,100.00	500,100.00
Investment in Cofo JV		
Accumulated Amortization	-500,100.00	-500,100.00
Net Investment in Genetic Rights		
Investment in KPA		
Investment in Genesis Life Science (GLS)	330.00	330.00
Goodwill		
Total Investments	330.00	330.00
Total Assets	30,829,841.76	30,829,841.76
Liabilities and Equity		
Current Liabilities		
Accounts Payable - Canadian	7,575,482.77	7,575,482.77
Accounts Payable - USD	948,610.26	948,610.26
Accounts Payable - EUR	492,706.17	492,706.17
Accounts Payable - GBP	966,605.71	966,605.71
Accounts Payable - RMB		
Customer Deposits	4,506,886.18	4,506,886.18
Venbridge SRED Loan	500,000.00	500,000.00
Due to Other	44,500.73	44,500.73
PST/GST/HST Payable	-123,869.26	-123,869.26
Current Portion of LTD		
Corporate Taxes Payable	509,180.65	509,180.65
Future Income Tax Payable		
Accrued Vacation Pay	250,889.56	250,889.56
Deferred Revenue		
Accrued Liabilities	79,554.05	79,554.05
Total Current Liabilities	15,750,546.82	15,750,546.82
Long term Liabilities		
FCC Loan 687556001	450,726.63	450,726.63
FCC Loan - US Funds		
FCC LOAN - 603492000		
FCC LOAN - 549187000	772,861.33	772,861.33
FCC LOAN - 558562001	129,315.87	129,315.87
FCC LOAN - 723415001 COVID		
FCC LOAN - 723737001	750,000.00	750,000.00
MASC Loan		
Vehicle Loans (Multiple)	3,945.38	3,945.38
Total Long Term Liabilities	2,106,849.21	2,106,849.21
Total Liabilities	17,857,396.03	17,857,396.03

Account Schedule

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Balance	
<hr/>		
Equity		
Redemption Class A	8.74	8.74
Class C Preferred	1.00	1.00
Class G Common	1,267,399.50	1,267,399.50
Class H Common	1,267,383.72	1,267,383.72
Class E commons shares	1,975,854.52	1,975,854.52
Class F common shares	1,975,854.53	1,975,854.53
Redemption of shares, in excess of paid up capital		
Retained Earnings	9,190,256.99	9,190,256.99
Adjustment to Retained Earnings		
Dividends Paid		
Net Income for the Year	-2,704,313.27	-2,704,313.27
Total Equity	12,972,445.73	12,972,445.73
<hr/>		
Total Liabilities and Equity	30,829,841.76	30,829,841.76

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
REVENUE		
SALES BREEDING STOCK - CDN		
CDN Gilts		1,112,597.90
CDN Boars		331,787.50
CDN Purebreds		763,232.63
Royalty - Breeding Stock (Sale/Retained)		78,660.00
TOTAL SALES BREEDING STOCK - CDN		2,286,278.03
SALES BREEDING STOCK - US		
US Gilts		2,907,516.48
US Boars		1,118,466.93
US Purebreds		1,136,660.79
Royalty - Breeding Stock (Sale/Retained)		
TOTAL SALES BREEDING STOCK - US		5,162,644.20
SALES BREEDING STOCK - INTERNATIONAL		
Purebred Gilts - International		983,626.12
Boars - International		994,196.13
F1 Gilts - International		941,071.03
Royalty - Breeding Stock (Sale/Retained)	22,650.34	679,434.85
Barrows - International		
TOTAL SALES BREEDING STOCK - INTERNATIONAL	22,650.34	3,598,328.13
SALES - MARKETS/CULLS & BARROWS		
Improvst Markets		1,295,254.99
Market Hogs - Quarantine Barns		1,511,070.10
Market Hogs - Durand/KLVD		1,013,317.93
Cull Sows		1,220,119.00
Cull Boars - Canadian AI		12,777.72
Barrows		3,395,352.31
TOTAL SALES - MARKETS/CULLS & BARROWS		8,447,892.05
AI SALES/ROYALTIES - DOMESTIC		
AI Sales/Royalties - Domestic Studs	17,478.75	144,478.42
AI Sales - Canadian AI - Domestic		398,625.82
TOTAL AI SALES/ROYALTIES - DOMESTIC	17,478.75	543,104.24
AI SALES/ROYALTIES - INTERNATIONAL		
AI Royalties from Studs - International	4,963.59	1,152,304.26
AI Sales - Canadian AI - International		98,814.42
AI Sales - Other Studs - International		

Account Schedule

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

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GENESUS\TKLIPPENSTEIN

Description	Current Period	Year to Date
AI SALES/ROYALTIES - INTERNATIONAL	4,963.59	1,251,118.68
OTHER GENETIC SALES		
Technical/Genetic Fees	11,286.66	1,472,735.12
TOTAL OTHER GENETIC SALES	11,286.66	1,472,735.12
TOTAL SALES	56,379.34	22,762,100.45
OTHER INCOME		
Delivery Income - Breeding Stock		227,608.75
Delivery Income - Markets/Culls/Barrows	1,730.00	95,000.00
Delivery Income - Pig flow		6,030.00
Air Freight Income		959,760.91
Vaccination Fees Income		20,400.48
Export Income - Lab/Quarantine, Etc.		78,876.84
Sales Discounts		-5,817.79
Royalties - InterCompany		115,530.73
AI Royalties - InterCompany		155,902.78
Canadian AI Deliveries		38,898.83
Management Fees	60,787.66	632,866.51
Management Fees - Royal Lean		7,320.00
Sollio		
Other Income - SRED		1,612,454.58
Wage Subsidy Programs (Covid)		2,409.73
Other Income		125,789.28
TOTAL OTHER INCOME	62,517.66	4,073,031.63
TOTAL REVENUE	118,897.00	26,835,132.08
COST OF GOODS		
COGS BREEDING STOCK - CDN		
CDN Gilts		992,016.20
CDN Boars		173,130.21
Levy - Over 30 kg	1,266.23	6,372.58
Levy - Under 30 kg		
CDN Purebreds	10,000.00	598,440.96
TOTAL COGS BREEDING STOCK - CDN	11,266.23	1,769,959.95
OTHER COGS		
Barrows		3,078,710.41
Bagot Premium to CanAm		172,046.00
Cull Sows		756,463.51
TOTAL OTHER COGS		4,007,219.92

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
COGS BREEDING STOCK - USD		
USD Gilts		1,966,456.25
USD Purebreds		699,951.67
USD Boars		132,631.85
TOTAL COGS BREEDING STOCK - USD		2,799,039.77
COGS BREEDING STOCK - INTERNATIONAL		
Purebred Gilts - International		251,506.28
Boars - International		225,669.55
F1 Gilts - International		744,493.92
Barrows - International		
Premiums - Int'l Farms	38,846.36	387,916.81
TOTAL COGS BREEDING STOCK - INTERNATIONAL	38,846.36	1,609,586.56
Inventory Purchases	11,710.98	11,524,716.24
Direct Cost	-11,710.98	-11,493,262.64
Inventory Adjustments		81,719.34
TOTAL COST OF GOODS	50,112.59	10,298,979.14
GROSS PROFIT	68,784.41	16,536,152.94
OPERATING EXPENSES		
SELLING EXPENSES		
Advertising	143.50	163,918.28
Entertainment & Meals	4,541.60	157,915.10
Promotion	259.78	71,741.71
Travel	14,777.10	194,185.98
Sales Vehicles Fuel	9,792.53	147,971.24
Sales Vehicles Mileage	3,014.26	45,354.04
Sales Vehicles R&M	81.95	54,006.05
Sales Vehicles Insurance/Lic		94,342.35
Sales Vehicles Leasing		6,193.20
Sales Vehicle Reimbursement		11,380.00
GPS Tracking	-65.14	15,118.32
Barn Tours		62.34
TOTAL SELLING EXPENSES	32,545.58	962,090.61
DELIVERY EXPENSES		
Freight Expense - Breeding Stock	42,419.09	715,490.02
Freight Expense - Markets/Culls/Barrows	90,140.95	695,658.31
Freight Expense - Pig Flow	37,782.19	550,749.61
Air Freight	107,095.12	1,018,569.81

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
Insurance - Ground/Air	14,949.86	-21,118.61
Export Inspections		66,233.79
Scale Expenses	2,546.84	15,209.79
Export Tags		242,853.92
Border Fees & Duties		11,223.06
Delivery Vehicles Fuel	-58,687.03	61,759.87
Trailer Wash/Disinfect/Dry	25,176.32	510,377.06
Trailer R & M	7,923.31	114,091.22
Delivery Vehicles Ins/Lic	-4,976.19	3,916.57
Delivery Supplies	685.83	6,275.10
Carbon Tax		5,667.98
TOTAL DELIVERY EXPENSES	265,056.29	3,996,957.50
PROPERTY EXPENSES		
Rent		10,000.00
Electricity		47,165.38
Gas		72,608.57
Water		1,206.57
Property/Livestock Insurance		44,453.61
Property Taxes		1,396.04
Property R&M		33,781.32
Spreading		117,008.71
Security		670.67
TOTAL PROPERTY EXPENSES		328,290.87
BOARS HEAD OPERATING EXPENSES		
Boar's Head Supplies		2,728.47
Boar's Head R & M		13,313.27
Boar's Head - Utilities		20,687.08
Boar's Head - Salaries	2,425.58	54,405.40
Boar's Head - CPP	120.68	2,712.53
Boar's Head - EI	55.36	1,208.51
Boar's Head - Property Tax/Insurance		49,865.52
TOTAL BOAR'S HEAD OPERATING EXPENSES	2,601.62	144,920.78
COMPUTER EXPENSES		
Consultant Services		44,595.60
Other Computer Expenses	398.81	65,882.95
TOTAL COMPUTER EXPENSES	398.81	110,478.55
R&M EQUIPMENT		
R&M Shop Equipment		296.77
R&M Technical Equipment		1,021.85

Account Schedule

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
TOTAL R&M EQUIPMENT		1,318.62
SALARIES & WAGES		
Salaries	94,360.76	2,024,703.76
Commissions		31,171.00
Bonuses		2,832.00
Garnishment	-150.00	-350.00
Vacation Pay	4,634.61	93,210.94
CPP Expense	5,609.91	88,223.92
EI Expense	2,259.13	35,018.98
WCB Expense		1,737.90
WSIB - Ontario		199.17
Group Medical/Dental Benefit	-1,163.64	84,278.70
Training Expense		3,022.95
Manitoba HET		31,785.98
Ontario EHT		
Payroll Service Expense	110.66	2,358.49
TOTAL SALARIES & WAGES	105,661.43	2,398,193.79
ADMINISTRATIVE EXPENSES		
Bank Charges	17.72	30,853.24
Office Supplies	453.76	30,798.79
Phone and Fax	1,096.03	56,858.21
Postage & Courier	2,696.07	32,663.08
Accounting		996,233.10
Legal		46,859.09
Consulting	128,539.83	1,274,239.14
Export Commissions/Consulting		116,991.60
Other Administrative		99,526.97
TOTAL ADMINISTRATIVE EXPENSES	132,803.41	2,685,023.22
DEPRECIATION OF FIXED ASSETS		
Depreciation, Buildings		
FEED		
Feed - Vandewest		
Feed - Royal Lean		
Feed	66,009.59	4,751,580.02
TOTAL FEED	66,009.59	4,751,580.02
BARN SUPPLIES		
Livestock Supplies		632.41
Disinfectants		
Boots & Clothing		205.25

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
Barn Supplies	-81.66	90,340.34
TOTAL BARN SUPPLIES	-81.66	91,178.00
VETERINARY & MEDICINE		
Veterinary Consulting		323.75
Laboratory Tests/Samples	1,396.72	410,198.47
Medications/Vaccines		141,716.41
Vaccination Labour Expense		3,897.50
Other Veterinary Expenses		883.58
TOTAL VETERINARY & MEDICINE	1,396.72	557,019.71
R&D GENETICS		
Boar Top Ups		8,680.61
Improvest Boar (Salvage Value for Boars)		1,171,832.64
Genetics Consulting	17,683.08	218,148.52
SRED - Norquay		615,000.00
SRED - Fairholme		
SRED - High Country Swine		132,000.00
SRED - Prairie Blossom	45,000.00	450,000.00
Livestock Records		-5,147.93
Probing		33,170.62
Cull boar premium - Norquay		120,000.00
Custom Carcass Evaluation		47,308.00
Genetics Research		10,350.00
Synergy SRED Fee	8,333.33	83,333.30
Software Development		31,104.69
DNA Supplies		41.86
AI Supplies/Delivery		6,355.07
Commercial EBVs		310,854.52
R&M Technical Equipment		21,039.88
TOTAL R&D GENETICS	71,016.41	3,254,071.78
CONTRACTED BARN EXPENSES		
Durand Barn Rent/Expenses		329,212.67
Royal Lean Barn Rent/Expenses		109,285.20
Designed Genetics Barn Rent/Expenses		232,544.08
Quarantine Barn Rent/Expenses		120,800.00
TOTAL CONTRACTED BARN EXPENSES		791,841.95
CANADIAN AI OPERATING EXPENSES		
Utilities	80.25	24,170.54
AI Supplies		78,348.96
Medications		4,423.24

Account Schedule

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
Barn Supplies	166.85	56,355.76
Office Supplies		
Property R & M	800.00	50,284.21
Lab Fees		4,086.40
Feed		
Salaries	9,294.30	218,604.88
CPP	498.09	15,887.15
EI	212.11	6,611.93
Fuel - Canadian AI	2,457.71	41,206.44
Vehicle R&M - Canadian AI		6,786.69
Other Operating		22,605.41
TOTAL CANADIAN AI OPERATING EXPENSES	13,509.31	529,371.61
OTHER OPERATING EXPENSES		
Bad Debt Expense		
Settlement Fees		
Miscellaneous		
Total, Other Operating Exp		
TOTAL OPERATING EXPENSES	690,917.51	20,602,337.01
NET OPERATING INCOME	-622,133.10	-4,066,184.07
INTEREST INCOME		
Finance Charges from Customers		136,242.00
Other Interest Income		3.42
Invoice Rounding		0.09
TOTAL INTEREST INCOME		136,245.51
INTEREST EXPENSES		
Interest on Revolving Credit	1,218.69	344,524.27
Interest on Long Term Debt		98,736.40
Other Interest Expense		
Finance Charges to Vendors	591.41	41,412.08
TOTAL INTEREST EXPENSES	1,810.10	484,672.75
GAINS AND LOSSES		
Unrealized FX Gains/Losses	972,568.68	-1,792,996.15
Realized FX Gains/Losses	19,539.62	83,223.07
Gain/Loss on Sale of Assets		-524.96
TOTAL GAINS AND LOSSES	992,108.30	-1,710,298.04
NI BEFORE EXTR. ITEMS	-1,616,051.50	-2,704,313.27

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GENESUS\TKLIPPENSTEIN

Account Schedule

Genesis Inc.

Period 01/31/23

Fiscal Start Date 04/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 01/31/23

Description	Current Period	Year to Date
NET INCOME BEFORE EXTR. ITEMS/TAXES	-1,816,051.50	-2,704,313.27
NET INCOME	-1,616,051.50	-2,704,313.27



APPENDIX - 06 - CAM-AM GENETICS INC. - BALANCE SHEET AND INCOME STATEMENT DATED MARCH 31, 2023

Account Schedule

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GENESUS/CWOLLMAN

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Balance	
Assets		
Current Assets		
BMO - CAD	-363,795.82	29,297.92
Agri Invest Account		
Accounts Receivable - Canadian	511,150.02	-2,325.32
Due from Shareholder		
Prepaid Taxes and Expenses	102,280.59	
Inventory - PSN	204,233.86	
Inventory - STA	447,030.98	
Sow Herd - PSN	112,800.00	
Sow Herd - STA	142,800.00	
Boar Herd - PSN	4,230.00	
Boar Herd - STA	5,040.00	
Barn Supply Inventories		
Total Current Assets	1,196,412.99	26,972.60
Fixed Assets		
Land	265,333.98	
Building RM of Daly (Bradw)	9,612.40	
Accumulated Amortization	-6,969.74	
NBV, Buildings	2,642.66	
Nursery		
Bagot Nursery	517,344.00	
Accumulated Amortization	-425,444.07	
NBV, Bagot Nursery	91,899.93	
Barns		
Barn - PSN	1,681,423.37	
Accumulated Amortization - PSN	-1,437,916.27	
NBV, PSN Barn	243,507.10	
Barn - STA	735,747.00	
Accumulated Amortization, STA Barn	-525,691.68	
NBV, STA Barn	210,055.32	
Computer		
Computer Software		
Accumulated Amortization, Computer Software		
Computer Hardware	14,444.00	
Accumulated Amortization	-14,380.85	

Account Schedule

2023-04-25

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GENESUS\CWOLLMAN

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Balance	
NBV, Computer Equipment	63.15	
Technical Equipment		
IVQG Feed System	358,530.00	
Lab/AI Equipment	5,680.00	
Accumulated Amortization, lab/ai equip	-5,552.97	
Other Technical Equipment	999.00	
Accumulated Amortization		
NBV, Technical Equipment	8,148.37	
Barn Equipment		
Barn Equipment - PSN		
Accumulated Amortization - PSN		
Generator	64,760.00	
Accumulated Amortization, generator	-63,129.89	
Other Barn equipment, PSN	610,339.86	
Accumulated Amortization, other barn equip	-567,653.31	
Barn Equipment - STA	530,310.00	
Accumulated Amortization - STA	-504,204.14	
NBV, Barn Equipment	26,105.86	
Vehicles		
Vehicles - PSN	115,365.51	
Accumulated Amortization	-60,989.88	
NBV, Vehicles	54,375.63	
Office Equipment		
Office Equipment - PSN	6,997.00	
Accumulated Amortization	-6,915.62	
Office Equipment, Other	15,478.00	
Acc Dep, Office Equip Other	-15,198.74	
NBV, Office Equipment, Other		
NBV, Office Equipment	360.64	
Land		
Land - RM of Daly (Ryall)	50,667.22	
Land - RM of Daly (Adam)	57,975.00	
Land - RM of Daly (Weibe)		
Land - RM of St Andrews	158,891.76	
Land - Total		
Total Fixed Assets	944,809.30	
Total Assets	2,141,222.29	26,972.60

Account Schedule

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GENESUS\CWOLLMAN

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Balance	
Liabilities and Equity		
Current Liabilities		
Accounts Payable - Canadian	1,438,912.80	32,338.87
Accounts Payable - USD		
Sales Tax / HST Payable	-6,589.87	-356.51
Current Portion of Long Term Debt		
Corporate Tax Payable		
Accrued Vacation Pay	14,465.80	
Accrued Liabilities	323,308.82	
Total Current Liabilities	1,770,097.55	31,982.36
Long Term Liabilities		
Due to Genesis	52,201.04	
Lease Liability		
BMQ - Covid 19 Loan		
Hepson Tractor Loan (PSN)	20,400.78	
FCC: 729837001	450,000.00	
Agri Food Loan	108,626.12	
Devnordge Loan	1,000,000.00	
Total Long Term Liabilities	1,631,227.94	
Equity		
Share Capital - Class B	10.00	
Share Capital - Class E	101.00	
Retained Earnings	-3,667,511.96	
Change in Accounting Policy Adj	-50,733.43	
Dividends Paid		
Net Income for the Year	2,458,031.19	-5,009.76
Total Equity	-1,260,103.20	-5,009.76
Total Liabilities and Equity	2,141,222.29	26,972.60

Account Schedule

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GENESUS\TKLIPPENSTEIN

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
REVENUE		
Sales Breeding Stock CDN		
CDN Gills		254,198.02
CDN Boars		62,245.42
Total Sales Breeding Stock CDN		316,443.44
Market & Cull Revenue		
Market Hogs		1,001,050.87
Improvst Boars		306,625.54
Barrows	9,136.80	128,766.71
Cull Boars	675.70	3,088.95
Cull Sows		136,049.80
Total Market & Cull Revenue	9,812.50	1,575,581.87
Total Sales	9,812.50	1,892,025.31
Bagot Rental Income	29,806.00	141,519.00
PSN Barn Rental Income		2,340.00
Wage Subsidy Programs (Covid)		
TOTAL REVENUE	39,618.50	2,035,884.31
COST OF GOODS		
Gills		
Boars		
Levy - Over 66 lbs	26.79	906.97
Levy - Under 66 lbs		
Inventory Purchases		
Inventory Adjustments		
Total Cost of Goods Breeding Stock CDN	26.79	906.97
TOTAL COST OF GOODS	26.79	906.97
GROSS PROFIT	39,591.71	2,034,977.34
OPERATING EXPENSES		
Selling Expenses		
Entertainment and PR		39.81

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
Mileage	503.30	4,087.00
Total Selling Expenses	572.30	4,575.80
Delivery Expenses		
Trucking	9,514.10	94,357.45
Del Vehicle Fuel	2,166.99	8,980.83
Del Vehicle R&M		1,467.66
Total Delivery Expenses	11,681.09	104,805.94
Property Expenses		
Electricity		34,398.78
Propane/Natural Gas		67,865.60
Diesel Fuel		
Property/Livestock Insurance		
Property Taxes		-743.14
Property R&M	600.00	40,628.45
Water Monitoring		
Spreading		25,396.39
Security		256.80
Fees		
Total Property Expenses	600.00	167,802.88
Computer Expenses		
Other Computer Expenses		-2,173.27
Total Computer Expenses		-2,173.27
Equipment R&M		
R&M General Equipment		214.45
R&M Technical Equipment		442.17
Total Equipment R&M		656.62
Salaries & Wages		
Salaries	-5,483.66	224,914.79
Bonuses		2,610.00
Vacation Pay	-295.20	8,009.54
CPP Expense	-320.76	13,419.61
EI Expense	-131.89	5,754.87
Disability Insurance Benefit		
Group Medical/Dental Benefit	-212.05	9,738.00
Housing Fee		

Account Schedule

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
Payroll Service Expense		606.77
Total Salaries & Wages	-6,443.56	268,324.77
Administrative Expenses		
Bank Charges		1,390.45
Office Supplies	31.80	241.14
Phone and Fax	162.26	3,542.05
Postage & Courier		
Management Fees		45,852.00
PSN Barn Management Fee		
Accounting		4,463.20
Legal		
Other Administration	740.00	8,910.12
Total Administrative Expenses	934.06	65,748.96
Depreciation of Fixed Assets		
Depreciation, Equipment		
Total Fixed Asset Depreciation		
Feed		
Feed - PSN		
Feed - Bagot		
Feed - STA		
Feed	32,551.88	1,568,775.78
Total Feed	32,551.88	1,568,775.78
Barn & Livestock Supplies		
Boots & Clothing		633.81
Barn Supplies, Hardware	1,534.85	38,432.34
Barn Supplies, Total	1,534.85	39,066.15
Veterinary & Medicine		
Medications/Vaccines	187.52	33,041.91
Other Veterinary Expenses		
Total Veterinary & Medicine	187.52	33,041.91

5/3/2023

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GENESUSITKLIPPENSTEIN

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
Genetics Consulting	2,983.33	17,899.98
Total R&D Genetics	2,983.33	17,899.98
Miscellaneous		342.39
Other Operating Exp., Total		342.39
TOTAL OPERATING EXPENSES	44,601.47	2,268,867.91
NET OPERATING INCOME	-5,009.76	-233,890.57
INTEREST INCOME		
Interest on Bank Balances		
Finance Charges from Customers		
Other Interest Income		
Invoice Rounding		
Application Rounding		
TOTAL INTEREST INCOME		
INTEREST EXPENSES		
Interest on Revolving Credit		16,863.39
Interest on Lease Payments		104.22
Interest - FCC loan STA		16,183.02
Interest - Agri Food Loan		
Finance Charges to Vendors		3,332.73
TOTAL INTEREST EXPENSES		36,483.36
GAINS AND LOSSES		
Unrealized FX Gains/Losses		
Realized FX Gains/Losses		
Gain/Loss on Sale of Assets		
TOTAL GAINS AND LOSSES		
NI BEFORE EXTR. ITEMS & TAXES	-5,009.76	-270,373.93
Income Taxes		
Corporate Tax		
NET INCOME BEFORE EXTR. ITEMS	-5,009.76	-270,373.93
Extraordinary Items		
Extraordinary Income/Loss		

5/3/2023

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GENESUS\TKLIPPENSTEIN

Account Schedule

Can-Am Genetics Inc

Period 03/31/23

Fiscal Start Date 10/01/22

Account Schedule INCOME Income Statement - Detail

Column Layout PTD + YTD

All amounts are in CAD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
<hr/>		
Extraordinary Items, Total		
NET INCOME	-5,009.76	-270,373.93



APPENDIX - 07 - GENESUS GENETICS INC. - BALANCE SHEET AND INCOME STATEMENT DATED MARCH 31, 2023

Account Schedule

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GENESUS\TKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Balance	
Assets		
Current Assets		
Wells Fargo - National Account		
Wells Fargo - S. Dakota	-20,017.54	
BMO - USD	3,421.19	-82.49
BMO - CDN	5,847.98	
Accounts Receivable - USD	1,318,362.81	118,693.50
Other Receivables	149.82	
Allowance for Doubtful Accounts		
Prepaid Taxes		
Prepaid HSA Deposits		
Prepaid Expenses	500.00	
Refundable Security Deposit	13,500.00	
Inventory clearing account	-168,146.71	
Inventory - Rock Lake Research Pigs		
Inventory - Addison River	-44,247.69	
Inventory - Weber		
Inventory - Melby	21,320.82	
Inventory - Widmer Farm	-4,223.65	
Inventory - John Pries	159,368.50	
Inventory - Mike Benson		
Inventory - Scham		
Inventory - Baer		
Inventory - Fuhrman	-28,780.43	
Inventory - Slater		
Inventory - Stellflug	-38,944.25	
Inventory - Becker		
Inventory - Al Studs	1,690,000.00	
Inventory - Addison Sows	1,428,520.00	
Total Current Assets	4,486,685.85	118,611.01
Fixed Assets		
Computer Hardware	6,873.73	
Accumulated Depreciation	-6,388.81	
NBV - Computer Hardware	484.92	
Vehicle	302,914.89	
Accumulated Depreciation	-122,722.87	
NBV - Vehicle	180,192.02	
Total Fixed Assets	180,676.94	
Total Assets	4,667,362.79	118,611.01
Liabilities & Equity		
Current Liabilities		

Account Schedule

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GENESUS\TKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Balance	
<hr/>		
Accounts Payable - Canadian	5,915.03	
Accounts Payable - USD	22,373,005.29	332,520.06
Accrued Liabilities	-18,452.69	
Customer Deposits		
Due to Genesis	1,043,965.44	
PPP Loan		
Taxes Payable	630.00	
Total Current Liabilities	23,441,968.45	332,520.06
<hr/>		
Long Term Liabilities		
Lease Inducement	797,700.00	
Total Long Term Liabilities	797,700.00	
Total Liabilities	24,239,675.83	332,520.06
<hr/>		
Equity		
Shares - Class A	150.00	
Additional Paid-in Capital	2,907.00	
Retained Earnings	-15,771,634.72	
Adjustment to Retained Earnings		
Net Income for the Year	-3,803,735.32	-213,909.05
Total Equity	-19,572,313.04	-213,909.05
<hr/>		

5/1/2023

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Account Schedule

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

GENESUS\TKLIPPENSTEIN

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description

Balance

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule INCOME Income Statement

Column Layout PTD + YTD

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
REVENUE		
SALES - US BREEDING STOCK		
US Gilts	50,161.80	2,096,724.17
US Purebred Gilts		208,009.15
US Boars		15,305.00
Royalty - Breeding Stock (Sale/Retained)	10,334.40	60,474.60
TOTAL SALES - US BREEDING STOCK	60,496.20	2,380,512.92
SALES - INTERNATIONAL BREEDING STOCK		
Purebred Gilts - Int'l		
Boars - Int'l		
F1 Gilts - Int'l		
TOTAL SALES - INTERNATIONAL BREEDING STOCK		
AI ROYALTIES/SALES		
AI Royalties/Sales	32,998.28	72,128.89
TOTAL AI ROYALTIES/SALES	93,494.48	2,452,641.81
SALES - MARKETS/CULLS & BARROWS		
Sales - Barrows		461,807.86
Markets - Addison River Ranch		
Cull Sow Revenue		85,014.74
Rock Lake Research Pigs		
TOTAL SALES - MARKETS/CULLS & BARROWS	93,494.48	2,999,464.41
TOTAL SALES	93,494.48	2,999,464.41
OTHER INCOME		
Delivery Charges Income	2,800.00	72,760.75
Vaccination Charges Income		12,806.50
Sales Discounts		
CFAP Assistance		
Miscellaneous Income		
TOTAL OTHER INCOME	2,800.00	87,951.25
TOTAL REVENUE	96,294.48	3,087,415.66
COST OF GOODS		
COGS - Breeding Stock - US		
F1 Gilts	30,310.80	1,619,214.06
Purebred Gilts		142,267.07
Boars		15,363.75

Account Schedule

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GENESUS\TKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule INCOME Income Statement

Column Layout PTD + YTD

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
TOTAL COGS - Breeding Stock US	30,310.80	1,838,231.44
COGS - Breeding Stock - International		
Purebred Gilts - International		
Boars - International		
TOTAL COGS - Breeding Stock - International		
Barrows		61,386.56
Rock Lake Research Pigs		
AI		
Inventory Purchases	30,310.80	1,476,096.26
Direct Cost	-30,310.80	-1,476,096.26
Inventory Adjustments		-61,682.23
TOTAL COST OF GOODS	30,310.80	1,776,549.21
GROSS PROFIT	65,983.68	1,310,866.45
OPERATING EXPENSES		
Selling Expenses		
Advertising		13,021.25
Entertainment & Meals	516.66	13,872.87
Promotion		5,785.01
Third Party Commissions		1,200.00
Travel	1,524.62	20,323.45
Sales Vehicles Fuel		10,890.50
Sales Vehicles Mileage	56.00	56.00
Sales Vehicles R&M	128.40	4,972.18
Sales Vehicles Insurance/Licence	1,281.79	1,281.79
Sales Vehicle Rent/Leases		
GPS Tracking		
Total Selling Expenses	3,507.47	71,403.05
Delivery Expenses		
Freight Expense - Breeding Stock		80,795.45
Freight Expense - Markets		9,900.00
Freight Expense - Pig Flow		87,409.70
Export Inspections		12,162.52
Tags		
Scale/Toll Expenses		122.10
Border Fees & Duties		16,421.98
Trailer Wash/Disinfect/Dry	1,884.49	10,342.26
Trailer R & M		

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule INCOME Income Statement

Column Layout PTD + YTD

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
Delivery Supplies		
Total Delivery Expenses	1,884.49	217,154.01
Computer Expenses		
Consultant Services		10,077.60
Other Computer Expenses		209.06
Total Computer Expenses		10,286.66
Salaries & Wages		
Salaries		212,500.15
Commissions		16,516.93
Bonuses		
Wage Garnish		
FICA/OAS Employer Portion		14,199.06
FICA/HI Employer Portion		3,320.75
FUTA Expense		369.75
SUTA Expense		2,785.73
Workers Compensation Ins Exp		7,492.00
Health Insurance Expense		34,593.94
Payroll Service Expense		785.81
Salaries & Wages, Total		292,564.12
Administrative Expenses		
Bank Charges		1,729.17
Office Supplies		80.85
Phone and Fax	180.00	2,343.48
Postage & Courier		1,746.99
Management Fees	42,888.89	130,996.25
Accounting		6,976.66
Legal		1,321.39
Consulting		
Other Administration		315.00
Total Administrative Expenses	43,068.89	145,509.79
Depreciation of Fixed Assets		
Depreciation		
Total Fixed Asset Depreciation		
Barn Supplies		

Account Schedule

5/3/2023

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GENESUS\TKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule INCOME Income Statement

Column Layout PTD + YTD

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
Barn Supplies		12,177.98
Total Barn Supplies		
Veterinary & Medicine		
Veterinary Consulting	725.00	5,032.86
Farm Visits		
Laboratory Tests/Samples	546.32	11,806.17
Purebred Registrations		15,600.00
Medications/Vaccines	30.00	44,023.19
Other Veterinary Expenses		
Total Veterinary & Medicine	1,301.32	76,462.22
Livestock and Barn Expenses		
AI Quarantine Fees		
AI Boarding Fees		
Breeding Expenses		
Feed		783,328.42
Medications/Vaccinations		
AI Delivery&Supplies	1,728.00	3,496.00
Total Livestock and Barn Expenses	1,728.00	786,824.42
Other Operating Expenses		
Barn Rent	227,151.10	774,823.60
Bad Debt Expenses		
Miscellaneous		
Other Operating Exp., Total	227,151.10	774,823.60
TOTAL OPERATING EXPENSES	278,641.27	2,387,205.85
NET OPERATING INCOME	-212,657.59	-1,076,339.40
Invoice Rounding		-0.04
TOTAL INTEREST INCOME		-0.04
INTEREST EXPENSES		
Other Interest Expense	82.49	717.58
Finance Charges to Vendors	1,168.97	6,218.20
TOTAL INTEREST EXPENSES	1,251.46	6,935.78

Account Schedule

5/3/2023

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GENESUSITKLIPPENSTEIN

America

Period 03/31/23

Fiscal Start Date 01/01/23

Account Schedule INCOME Income Statement

Column Layout PTD + YTD

All amounts are in USD.

Acc. Schedule Line: Date Filter: 03/31/23

Description	Current Period	Year to Date
GAINS AND LOSSES		
Realized FX Gains/Losses:		1,006.37
Gain/Loss on Sale of Assets		
TOTAL GAINS AND LOSSES		-1,006.37
NI BEFORE EXTR. ITEMS & TAXES	-213,909.05	-1,082,268.85
Income Taxes		
Corporate Tax		
NET INCOME BEFORE EXTR. ITEMS	-213,909.05	-1,082,268.85
Extraordinary Items, Total		
NET INCOME	-213,909.05	-1,082,268.85

APPENDIX - 08 - LITIGATION

Litigation Matters

The companies are involved in an number of litigations. Below is a summary of each including the dates and amounts.

Sollio Agriculture Livestock Production - Western Canada Ltd.

- ▶ April 19, 2022 - Genesus files Statement of Defence and Counterclaim
- ▶ Sollio was in an agreement with Genesus in which they would supply Genesus with feed to be consumed by the herds (the "Sollio Herds").
- ▶ The terms of the supply agreement are:
 - a) Genesus would be responsible to pay for feed supplied by Sollio to be consumed by the Sollio Herds;
 - b) The feed would be inspected for safety by Sollio;
 - c) The feed was to be reasonably fit for the purpose of feeding the Sollio Herds;
 - d) The feed was to be of good and merchantable quality, and free of defects and/or toxins;
 - e) The feed would not cause harm to the Sollio Herds;
 - f) In the event the feed caused harm or damage to the Sollio Herds, Sollio would be liable to Genesus for such harm or damage; and
 - g) In the event the feed caused harm or damage to the Sollio Herds, Genesus would be entitled to set off the value of such harm or damage against any invoices issued by Sollio for feed pursuant to the Supply Agreement.
- ▶ On or about April of 2019, Genesus claims Sollio provided feed that was toxic, contained mold, and was not of merchantable quality.
- ▶ Genesus claims that Sollio failed to warn Genesus about the toxic feed and the posed danger to the Sollio Herds.
- ▶ The toxic feed was consumed by the pigs resulting in 290 sows owned by Genesus to die.
- ▶ Genesus claims the feed caused losses and damages to Genesus which exceeds the amount of any invoice for the feed that Sollio claims is outstanding.
- ▶ Genesus is seeking damages in the amount of \$1,339,713, pre- and post-judgment interest, and other relief which the court may deem just.
- ▶ Based on discussions with Management, there has been little to no movement regarding this matter since September 2022 and there is no expected court date.

Superior Weanlings Ltd.

- ▶ January 17, 2017 - Superior Weanlings Ltd. terminates the Multiplier Agreement dated October 2015.
- ▶ January 31, 2017 - Genesus alleges Superior is indebted in the amount of \$179,650 as broken down below:

Balance as per Dec 31/16 statement	\$	323,077
Feed credit from Superior for reduced feed cost during depopulation		108,643
Agreed to amount for females deemed zero value at depopulation		29,080
Freight charges assessed by Genesus for repopulation		122,530
Credit to Superior for Genesus staff failure to meet production targets		(216,800)
Operations credit to Superior for depopulation as per contract		(169,863)
Credit from Genesus for fat gilts sent to Superior during repopulation		(23,750)
Credit from Genesus for premiums on females sold as breeding stock		(4,500)
Invoice #M018342 dated Dec 29/16 (not on Dec stmt)		8,544
AI invoice dated Dec 31/16 (not on Dec Stmt)		2,689
Total	\$	179,650

- ▶ Superior claims that Genesus overcharged for freight by \$94,891. They also claim that \$96,795 is owed in royalties and that an additional \$18,000 is owed due to negligence in which 400 pigs were infected.

Freight Charges:

- ▶ Genesus assessed freight charges of \$36,100 for moving animals from their own various nucleus sites to their breeding site at Calvern. According to Superior, they are not responsible for these costs as they are not customary in the industry.
- ▶ From May 4, 2016, to July 14, 2016, Genesus shipped animals to Superior for \$86,430 which averages \$28.14 per pig. Genesus claims the higher charges are associated with the very high protocol involving disinfection. Superior disputes this as they have never experienced such extreme measures demanded when they have picked up the animals themselves from Genesus nucleus sites.
- ▶ Several loads were shipped after July 14, 2016, with each load being invoiced at \$1,430 which averages \$13.56 per pig. Superior's position is that this amount is above fair market shipping costs.
- ▶ Superior claims that Genesus invoiced these costs as an attempt to off-set the credit issued for failed production targets.
- ▶ Superior claims that they could have shipped the pigs for \$9.00 while observing all normal cleaning and disinfection protocols. According to Superior, they believe the freight charges are overstated by \$94,891.

APPENDIX - 08 - LITIGATION

Torridian Agrico LLC

- ▶ Farm Management Agreement dated July 30, 2019 (the “TAL Agreement”) between GGI and Torridian Agroico LLC (“TAL”). GGI purchased a herd of pigs (the “TAL Herd”) from TAL and agreed to TAL on a cost-plus basis to maintain the Herd at TAL’s farm in Prowers County.
- ▶ TAL claims they have fulfilled all the obligations under the TAL Agreement and claim that GGI has failed to pay the agreed-upon amounts due.
- ▶ TAL is seeking an award of monetary damages, including attorneys’ fees and costs pursuant to the Agreement.
- ▶ The TAL Agreement was executed in Colorado and, therefore, Colorado law will govern the interpretation of the Agreement and the rights and duties of the parties.
- ▶ Based on court documents, TAL recorded a security interest of \$1,000,000 in the TAL Herd to secure GGI’s timely performance of the contractual obligations.
- ▶ The total amount in default is \$467,155 which includes feed supplied by TAL for \$216,874.
- ▶ Management advises that there is a forbearance agreement that is currently in place, which Genesis Inc is currently honoring. TAL and Genesis have agreed on a repayment timeline, allowing for additional time to catch up the outstanding balance.

Widmer Pork Inc.

- ▶ A Nucleus Agreement (the “Widmer Agreement”) dated September 12, 2020, between GGI and Widmer Pork Inc. (“Widmer”), GGI agreed to pay Widmer \$20 for each purebred weaned pig that met certain criteria under the Widmer Agreement.
- ▶ Widmer is claiming that they have delivered thousands of weaned pigs to GGI’s nursery facility and that GGI has failed to promptly pay Widmer as agreed upon.
- ▶ As noted in the letter from Widmer’s counsel, Widmer claims that as of February 14, 2023, GGI owes them \$74,353 and that Widmer continues to breed sows under the Widmer Agreement and delivers the weaned pigs to the nurse facility which will result in the amounts due to increase.
- ▶ GGI will default under the terms of the Widmer Agreement if payment is not made by March 16, 2023.
- ▶ Widmer is claiming that GGI has failed to provide replacement sows at Widmer’s farm to within +/- 5% of 830 sow target. As of February 14, 2023, Widmer’s farm had 730 sows (58 below the minimum target).
- ▶ Widmer could seek anticipated profits if GGI does not pay the outstanding amounts and show efforts of increasing the sow levels up to the contract target. Widmer claims if they could lose profits that exceed \$300,000.
- ▶ Widmer has offered to end the contract relationship with GGI if Widmer were to be paid \$120,000 plus the \$74,352 outstanding for a total of \$194,352.
- ▶ Management advises that as of May 2, 2023, Widmer has not been paid in full. Widmer is cooperating and allowing GGI to make smaller payments to work down the balance.

APPENDIX - 09 - ROYALTY AGREEMENTS

Royalty Agreements

- As part of the accounts receivables review, the Financial Advisor reviewed the customers' Royalty Agreement used provided by Management. Based on this review, it provides the following additional information and/or comments:

a) AO Niva

- Agreement signed August 25, 2020.
- Genetic margin on any sale of semen or pigs will be split 70% to AO Niva and 30% to Genesus.
- Genetic margin is the sale price less the current slaughter value. Calculation for genetic margin and payment are prepared monthly on the last day of the month.
- Genetic margin will be reported within 5 working days of month end. Any payment due to Genesus will be paid within 5 working days of presenting the invoice.
- Any sales that are sold higher than the standard genetic margin, the excess will be split 50/50.
- The agreement can be terminated with 1-year written notice by both Parties.

b) BaF Vietnam ("BaF")

- Agreement signed July 1, 2020.
- Fees are calculated quarterly based on sales reports provided by BaF to Genesus within 10 days of the last day of the quarter period. In the event the fees are less than the minimum fee, then the minimum fee will be payable within 30 days of the last day of the fourth quarter for each calendar year.
- Minimum Fee Commencing January 1, 2021

Year 1 -	USD \$110,000
Year 2 -	USD \$440,000
Year 3 -	USD \$715,000
Year 4 -	USD \$895,000
Year 5 & beyond -	USD \$1,000,000
- The agreement has a 10-year minimum term.

c) Genesus UK

- Agreement signed October 5, 2017.
- Fees are calculated quarterly based on sales reports provided by Genesus UK to Genesus within 10 days of the last day of the quarter period. In the event the fees are less than the minimum fee, then the minimum fee will be payable.
- Minimum Fee Commencing December 31, 2017

Year 1 -	GBP £0.00
Year 2 -	GBP £25,000
Year 3 & beyond -	GBP £50,000
- The agreement has a 10-year minimum term.

APPENDIX - 09 - ROYALTY AGREEMENTS

d) Russkaya Svinina

- d) Agreement signed February 15, 2021.
- e) Minimum Guarantee Payment Summary
 - d) 1st Quarter of 2021 - USD \$35,000
 - e) 2nd Quarter of 2021 - USD \$17,500
 - f) 3rd Quarter of 2021 - USD \$17,500
 - g) 4th Quarter of 2021 - USD \$17,500
- f) The minimum guarantee in 2022-2023 is in the amount of USD \$70,000 as equal quarterly payments.
- g) The payments will be made within 10 working days upon the invoice receipt.
- h) The agreement expires December 31, 2023.

e) Taaibosch

- a) Agreement signed June 1, 2022.
- a) Fees are calculated quarterly based on sales reports provided by Taaibosch to Genesis within 10 days of the last day of the quarter period. In the event the fees are less than the minimum fee, then the minimum fee will be payable.
- a) The minimum fee is USD \$40,000 per calendar year, the minimum fee has been waived for the first 12 months of the agreement.
- a) The agreement has a 5-year minimum term.

f) Golden Harvesta

- a) Agreement signed May 7, 2019.
- a) Fees are calculated quarterly based on sales reports provided by Golden Harvesta to Genesis within 10 days of the last day of the quarter period. In the event the fees are less than the minimum fee, then the minimum fee will be payable.
- a) Minimum Fee Commencing December 31, 2017
 - Year 1 - USD \$0.00
 - Year 2 & beyond - USD \$400,000
- a) The agreement has a 10-year minimum term.

APPENDIX - 09 - ROYALTY AGREEMENTS

g) Wan Jia Hao

- Agreement signed September 12, 2018.
- The minimum fee is RMB 500,000 annually, fees are paid quarterly and due within 30 days after the end of each quarter.
- Once the minimum amount is reached, Genesus and Wan Jia Hao will share any extra sale proceeds by the same percentage.
- The agreement can be terminated by either party with 3 month written notice.

h) Lianyungang Scandinavian

- Agreement signed November 12, 2019.
- The minimum fee is RMB 1,500,000 annually, fees are paid quarterly and due within 30 days after the end of each quarter.
- Once the minimum amount is reached, Genesus and Lianyungang will share any extra sale proceeds by the same percentage.
- The agreement can be terminated by either party with 6 month written notice.
- The agreement has a 5-year minimum term.

i) Sichuan Yuka Food Co.

- Agreement signed May 18, 2019.
- Fees are calculated based on sales of products by the client in the territory, fees are paid quarterly and due within 30 days after the end of each quarter.
- The agreement can be terminated by either party with 6 month written notice.
- The agreement has a 5-year minimum term.

j) Xinjiang Yaiyu Breeding Co.

- Agreement signed April 1, 2020.
- The minimum fee is RMB 1,500,000 annually, fees are paid quarterly and due within 30 days after the end of each quarter.
- The agreement can be terminated by either party with 6 month written notice.
- The agreement has a 5-year minimum term.

APPENDIX - 09 - ROYALTY AGREEMENTS

g) Wan Jia Hao

- Agreement signed September 12, 2018.
- The minimum fee is RMB 500,000 annually, fees are paid quarterly and due within 30 days after the end of each quarter.
- Once the minimum amount is reached, Genesus and Wan Jia Hao will share any extra sale proceeds by the same percentage.
- The agreement can be terminated by either party with 3 month written notice.

h) Lianyungang Scandinavian

- Agreement signed November 12, 2019.
- The minimum fee is RMB 1,500,000 annually, fees are paid quarterly and due within 30 days after the end of each quarter.
- Once the minimum amount is reached, Genesus and Lianyungang will share any extra sale proceeds by the same percentage.
- The agreement can be terminated by either party with 6 month written notice.
- The agreement has a 5-year minimum term.

i) Sichuan Yuka Food Co.

- Agreement signed May 18, 2019.
- Fees are calculated based on sales of products by the client in the territory, fees are paid quarterly and due within 30 days after the end of each quarter.
- The agreement can be terminated by either party with 6 month written notice.
- The agreement has a 5-year minimum term.

j) Xinjiang Yaiyu Breeding Co.

- Agreement signed April 1, 2020.
- The minimum fee is RMB 1,500,000 annually, fees are paid quarterly and due within 30 days after the end of each quarter.
- The agreement can be terminated by either party with 6 month written notice.
- The agreement has a 5-year minimum term.

APPENDIX - 10 - FCC LOANS

FCC holds the following security in respect of the debts owed:

FCC Loan 687556001

- ▶ Behind is a copy of the loan agreement.
- ▶ Mortgage against Lot 3 Plan 18974 St Charles (Boars Head).
- ▶ Personal Security: First Charge on present and personal/moveable property.
- ▶ General Security Agreement Registration Number 200817992802 - First charge on all present and after acquired personal/movable property.
- ▶ Existing Assignment, Postponement and Subordination for GGI and all shareholders of Genesis.
- ▶ Guarantees: GGI - Unlimited, Bob Kemp - \$221,500, Jim Long - \$221,500, Dan Van Schepdael - \$181,100, Mike Van Schepdael \$375,900.

FCC Loan 549187001

- ▶ Behind is a copy of the loan agreement.
- ▶ First charge against 570 Park Blvd & Building (Boars Head).

FCC Loan 558562001

- ▶ Behind is a copy of the loan agreement.
- ▶ First charge against NW ¼ of the Canadian A.I. located in Hamiota.

FCC Loan 723737001

- ▶ Behind is a copy of the loan agreement.
- ▶ Security against a mortgage Lot 3 Plan 18974 St Charles (Boars Head).
- ▶ First charge against N/W section of the Canadian A.I. located in Hamiota.
- ▶ First charge against present and movable property.
- ▶ General Security Agreement - 2014-03-27 .
- ▶ Existing Assignment, Postponement and Subordination Agreement dated March 8, 2016, from GGI and all Shareholders of Genesis.
- ▶ Guarantee: Bob Kemp - \$221,500, Jim Long - \$221,500, Dan Van Schepdael - \$181,100, Mike Van Schepdael \$375,900.

FCC Loan 729837001

- ▶ Behind is a copy of the loan agreement.
- ▶ Credit Limit of \$500,000
- ▶ Third Charge on moveable personal property
- ▶ Assignment, Postponement and Subordination from Genesis Inc.



APPENDIX - 11 - GENESUS INC. - CASH FLOW MODEL

Genesis Inc. Projected Cash Flow Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
CASH IN-FLOWS										
Trade Accounts Receivable (Existing)	132,562	132,562	132,562	132,562	132,562	132,562	132,562	132,562	132,562	1,193,062
Trade Accounts Receivable (New Sales)	1,200,683	2,099,803	2,693,028	3,027,306	3,091,202	3,076,228	3,030,140	2,994,053	2,969,310	24,181,751
Collections of GGI Receivable	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	360,000
TOTAL CASH IN-FLOWS	1,373,245	2,272,365	2,865,591	3,199,868	3,263,764	3,248,791	3,202,702	3,166,615	3,141,872	25,734,813
CASH OUT-FLOWS										
Operating Activities										
Direct Costs										
New AP Payments - COS	350,792	584,247	816,063	1,176,900	1,194,009	1,189,301	1,187,795	1,183,233	1,160,975	8,843,315
Total Direct Costs	350,792	584,247	816,063	1,176,900	1,194,009	1,189,301	1,187,795	1,183,233	1,160,975	8,843,315
Overhead Costs										
SG&A Payroll and Employee Costs	228,393	225,383	227,602	228,393	225,383	227,602	228,393	225,383	227,602	2,044,132
New AP Payments - SG&A	132,113	257,951	771,966	1,290,421	1,236,200	1,295,036	1,299,882	1,297,633	1,212,897	8,794,097
Opening AP Payments	199,668	199,668	199,668	199,668	199,668	199,668	199,668	199,668	199,668	1,797,013
Net HST Remittances (Refunds)	0	0	743	0	0	0	0	342,300	0	343,043
Income Taxes Paid	0	0	510,000	0	0	0	0	0	0	510,000
Bank Charges and Interest	128,876	63,249	23,492	(88,743)	205,548	201,744	222,760	49,872	49,174	855,972
Total Overhead Costs	689,049	746,251	1,733,471	1,629,739	1,866,799	1,924,049	1,950,702	2,114,856	1,689,340	14,344,256
Total Operating Activities	1,039,842	1,330,498	2,549,534	2,806,639	3,060,808	3,113,350	3,138,497	3,298,088	2,850,315	23,187,572
Investing Activities										
Purchase (Proceeds) of Capital Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
Financing Activities										
FCC Loan 687556001	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	16,594	149,346
FCC Loan 549187000	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220	7,220	64,984
FCC Loan 558562001	4,251	4,251	4,251	4,251	4,251	4,251	4,251	4,251	4,251	38,259
Vehicle Loans	340	0	0	0	0	0	0	0	0	340
Total Financing Activities	28,405	28,065	28,065	28,065	28,065	28,065	28,065	28,065	28,065	252,929
TOTAL CASH OUT-FLOWS	1,073,247	1,363,563	2,582,600	2,839,705	3,093,873	3,146,415	3,171,562	3,331,154	2,883,381	23,485,500
NET INCREASE (DECREASE) IN CASH	299,998	908,802	282,991	360,164	169,891	102,375	31,140	(164,539)	258,491	2,249,313
CASH (INDEBTEDNESS) BALANCE										
Opening Cash (Indebtedness) Balance	(7,109,903)	(6,809,905)	(5,901,103)	(5,618,112)	(5,257,948)	(5,088,057)	(4,985,682)	(4,954,542)	(5,119,081)	
Net Increase (Decrease) in Cash	299,998	908,802	282,991	360,164	169,891	102,375	31,140	(164,539)	258,491	
Closing Cash (Indebtedness) Balance	(6,809,905)	(5,901,103)	(5,618,112)	(5,257,948)	(5,088,057)	(4,985,682)	(4,954,542)	(5,119,081)	(4,860,590)	

Disclaimer:

The above information is based on assumptions regarding future events. Actual results will vary and the variations may be material.

Genesis Inc. Projected Income Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
Revenue										
Sales Revenue	2,656,377	2,653,298	2,639,865	2,726,938	2,810,482	2,674,518	2,610,985	2,625,892	2,625,728	24,024,083
Revenue	2,656,377	2,653,298	2,639,865	2,726,938	2,810,482	2,674,518	2,610,985	2,625,892	2,625,728	24,024,083
Cost of Sales										
Projects	1,034,785	1,033,585	1,028,353	1,062,272	1,094,816	1,041,852	1,017,103	1,022,910	1,022,846	9,358,520
Cost of Sales	1,034,785	1,033,585	1,028,353	1,062,272	1,094,816	1,041,852	1,017,103	1,022,910	1,022,846	9,358,520
Gross Margin	1,621,592	1,619,712	1,611,512	1,664,666	1,715,666	1,632,666	1,593,882	1,602,982	1,602,882	14,665,563
Gross Margin %	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%	61.05%
Selling, General & Admin Expenses										
Payroll	228,393	225,383	227,602	228,393	225,383	227,602	228,393	225,383	227,602	2,044,132
Selling & Administrative	742,593	649,736	717,409	786,322	633,203	758,289	639,849	822,349	302,648	6,052,398
Factory and Warehouse Costs	162,905	165,576	106,568	187,956	155,555	164,582	142,150	244,599	132,371	1,462,262
Scientific Research & Development	263,642	298,298	217,413	272,984	283,797	310,457	208,781	202,216	132,985	2,190,573
Finance Costs	128,876	63,249	23,492	(88,743)	205,548	201,744	222,760	49,872	49,174	855,972
Depreciation	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	121,500
Total Selling, General & Admin Expenses	1,539,909	1,415,742	1,305,984	1,400,412	1,516,986	1,676,173	1,455,432	1,557,919	858,279	12,726,836
Income (Loss) from Operations	81,684	203,970	305,529	264,254	198,680	(43,507)	138,450	45,063	744,604	1,938,726

Disclaimer:

The above information is based on assumptions regarding future events. Actual results will vary and the variations may be material.

Genesis Inc. Projected Balance Sheet	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast
Assets									
Current Assets									
Cash	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394	1,394
Accounts Receivable - Trade	6,087,208	6,853,069	7,010,526	6,932,097	6,884,178	6,697,592	6,485,303	6,325,946	6,191,147
Shareholder Loan	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Other Receivables	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729	1,197,729
Inventory	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220	3,799,220
Total Current Assets	11,185,551	11,951,413	12,108,870	12,030,441	11,982,521	11,795,936	11,583,647	11,424,290	11,289,491
Capital Assets									
Capital Assets (Cost)	5,279,714	5,284,714	5,289,714	5,294,714	5,299,714	5,304,714	5,309,714	5,314,714	5,319,714
Less: Accumulated Amortization	(2,590,871)	(2,604,371)	(2,617,871)	(2,631,371)	(2,644,871)	(2,658,371)	(2,671,871)	(2,685,371)	(2,698,871)
Capital Assets (NBV)	2,688,843	2,680,343	2,671,843	2,663,343	2,654,843	2,646,343	2,637,843	2,629,343	2,620,843
Long Term Receivable - GGI	25,502,489	25,462,489	25,422,489	25,382,489	25,342,489	25,302,489	25,262,489	25,222,489	25,182,489
Security Deposits	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Investment in GLS	330	330	330	330	330	330	330	330	330
Total Assets	39,577,213	40,294,575	40,403,532	40,276,603	40,180,183	39,945,098	39,684,309	39,476,452	39,293,153
Liabilities & Equity									
Current Liabilities									
Bank Indebtedness	6,809,905	5,901,103	5,618,112	5,257,948	5,088,057	4,985,682	4,954,542	5,119,081	4,860,590
Accounts Payable - Trade	11,791,267	13,175,733	13,726,844	13,669,628	13,488,881	13,375,829	12,957,391	12,866,902	12,091,021
Accrued Liabilities	79,554	79,554	79,554	79,554	79,554	79,554	79,554	79,554	79,554
HST Payable	(65,050)	743	74,116	128,378	211,983	263,897	342,300	43,396	177,931
Customer Deposits	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886	4,506,886
Corporate Taxes Payable	509,181	509,181	(819)	(819)	(819)	(819)	(819)	(819)	(819)
Accrued Vacation Payable	250,890	250,890	250,890	250,890	250,890	250,890	250,890	250,890	250,890
Venbridge SRED Loan	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Other Current Liabilities	44,501	44,501	44,501	44,501	44,501	44,501	44,501	44,501	44,501
Long-term Liabilities									
FCC Loan 687556001	434,133	417,539	400,945	384,351	367,757	351,163	334,569	317,975	301,381
FCC Loan 549187000	765,641	758,421	751,200	743,980	736,759	729,539	722,318	715,098	707,878
FCC Loan 558562001	125,065	120,814	116,563	112,312	108,061	103,810	99,559	95,308	91,057
FCC Loan 723737001	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Vehicle Loans	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605	3,605
Due To Shareholder	17,507	17,507	17,507	17,507	17,507	17,507	17,507	17,507	17,507
Equity									
Share Capital	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502	6,486,502
Retained Earnings	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944	6,485,944
Cumulative Net Income	81,684	285,654	591,182	855,436	1,054,116	1,010,609	1,149,059	1,194,122	1,938,726
Total Liabilities and Equity	39,577,213	40,294,575	40,403,532	40,276,603	40,180,183	39,945,098	39,684,309	39,476,452	39,293,153

Disclaimer:

The above information is based on assumptions regarding future events. Actual results will vary and the variations may be material.

Genesis Inc.

Assumptions to Projections

Period Ending December 31, 2023

- 1) All currencies are in Canadian dollars (CAD).
- 2) Revenue forecast is based on...Projections Provided by Sales team and CEO
- 3) Cost of Sales forecast is based on...projections based on Sales Team, CEO and some historic data
- 4) Projected Gross Margin is based on...Projections Provided by Sales team and CEO
- 5) SG&A expenses are forecasted based on...historics from 2022, with some minor adjustments (post COVID 19)
- 6) For simplicity, it is assumed that all payroll costs (both direct labour and SG&A payroll) and employee costs (benefits, etc.) are paid in the month incurred. Yes it is.
- 7) Accounts Receivable collections are based on...Last 6 months of collections and current conversations with customers during time now
- 8) Income Taxes Receivable and SRED Receivable are based on...Conversations had with EY and their correspondence with CRA
- 9) Inventory is constant month after month as it is assumed that purchases will be used in the same month. This is correct
- 10) Capital Assets...Based on projections from the CEO
- 11) The timing of Accounts Payable payments is based on...Conversations with Vendors, Cashflow projections and potential revenue from sales
- 12) Credit Card Payable is constant month after month as it is assumed that purchases will go through trade AP for simplicity. This is correct
- 13) Due to Related Parties...is based on historics.



APPENDIX - 12 - CAN-AM GENETICS INC. - CASH FLOW MODEL

Can-Am Genetics Inc. Projected Cash Flow Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
CASH IN-FLOWS										
Trade Accounts Receivable (Existing)	25,558	25,558	25,558	25,558	25,558	25,558	25,558	25,558	25,558	230,018
Trade Accounts Receivable (New Sales)	89,040	155,820	200,340	222,600	222,600	222,600	222,600	222,600	222,600	1,780,800
TOTAL CASH IN-FLOWS	114,598	181,378	225,898	248,158	248,158	248,158	248,158	248,158	248,158	2,010,818
CASH OUT-FLOWS										
Operating Activities										
Overhead Costs										
SG&A Payroll and Employee Costs	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
New AP Payments - SG&A	12,136	24,272	76,546	125,091	136,278	136,278	121,362	121,362	121,362	874,688
Opening AP Payments	71,946	71,946	71,946	71,946	71,946	71,946	71,946	71,946	71,946	647,511
Net HST Remittances (Refunds)	0	0	(29,314)	0	0	0	0	(61,100)	0	(90,414)
Bank Charges and Interest	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
Total Overhead Costs	106,082	118,218	141,178	219,037	230,224	230,224	215,308	154,208	215,308	1,629,785
Total Operating Activities	106,082	118,218	141,178	219,037	230,224	230,224	215,308	154,208	215,308	1,629,785
Investing Activities										
Purchase (Proceeds) of Capital Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
Financing Activities										
Agri-Food Loan	3,602	3,620	3,638	3,656	3,674	3,693	3,711	3,730	3,748	33,073
Vehicle Loans (Hespler Tractor)	475	476	476	477	477	477	478	478	478	4,293
Total Financing Activities	4,077	4,096	4,114	4,133	4,151	4,170	4,189	4,208	4,227	37,366
TOTAL CASH OUT-FLOWS	115,159	127,314	150,292	228,169	239,375	239,394	224,497	163,416	224,535	1,712,150
NET INCREASE (DECREASE) IN CASH	(562)	54,064	75,605	19,988	8,782	8,764	23,661	84,742	23,623	298,667
CASH (INDEBTEDNESS) BALANCE										
Opening Cash (Indebtedness) Balance	(363,797)	(364,358)	(310,295)	(234,689)	(214,701)	(205,919)	(197,155)	(173,494)	(88,752)	
Net Increase (Decrease) in Cash	(562)	54,064	75,605	19,988	8,782	8,764	23,661	84,742	23,623	
Closing Cash (Indebtedness) Balance	(364,358)	(310,295)	(234,689)	(214,701)	(205,919)	(197,155)	(173,494)	(88,752)	(65,129)	

Disclaimer:

The above information is based on assumptions regarding future events. Actual results will vary and the variations may be material.

Can-Am Genetics Inc. Projected Income Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
Revenue										
Sales Revenue	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,800,000
Other Revenue	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
Total Revenue	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	1,980,000
Gross Margin	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000	1,980,000
Selling, General & Admin Expenses	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	93,900	845,100
Salaries and Wages	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
Factory and Warehouse Costs	11,000	11,000	44,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
Scientific Research & Development	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Finance Costs	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	18,000
Depreciation	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Total Selling, General & Admin Expenses	135,400	135,400	168,400	135,400	135,400	135,400	135,400	135,400	135,400	1,251,600
Income (Loss) from Operations	84,600	84,600	51,600	84,600	84,600	84,600	84,600	84,600	84,600	728,400

Disclaimer:

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Can-Am Genetics Inc. Projected Balance Sheet	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast
Assets									
Current Assets									
Cash									
Accounts Receivable - Trade	619,153	660,375	657,077	631,520	605,962	580,405	554,847	529,290	503,732
Inventory	946,218	946,218	946,218	946,218	946,218	946,218	946,218	946,218	946,218
Prepaid Expenses	102,841	102,841	102,841	102,841	102,841	102,841	102,841	102,841	102,841
Total Current Assets	1,668,211	1,709,434	1,706,136	1,680,579	1,655,021	1,629,464	1,603,906	1,578,349	1,552,791
Capital Assets									
Capital Assets (Cost)	4,937,364	4,942,364	4,947,364	4,952,364	4,957,364	4,962,364	4,967,364	4,972,364	4,977,364
Less: Accumulated Amortization	(3,993,556)	(3,999,556)	(4,005,556)	(4,011,556)	(4,017,556)	(4,023,556)	(4,029,556)	(4,035,556)	(4,041,556)
Capital Assets (NBV)	943,808	942,808	941,808	940,808	939,808	938,808	937,808	936,808	935,808
Total Assets	2,612,020	2,652,242	2,647,944	2,621,387	2,594,829	2,568,272	2,541,714	2,515,157	2,488,599
Liabilities & Equity									
Current Liabilities									
Bank Indebtedness	364,358	310,295	234,689	214,701	205,919	197,155	173,494	88,752	65,129
Accounts Payable - Trade	1,476,193	1,501,337	1,511,497	1,435,822	1,348,961	1,262,099	1,190,154	1,118,208	1,046,262
Accrued Liabilities	323,309	323,309	323,309	323,309	323,309	323,309	323,309	323,309	323,309
HST Payable	(17,952)	(29,314)	(15,652)	(27,014)	(38,376)	(49,738)	(61,100)	(11,362)	(22,724)
Accrued Vacation Payable	14,466	14,466	14,466	14,466	14,466	14,466	14,466	14,466	14,466
Long-term Liabilities									
Devonridge Loan	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Agri-Food Loan	105,024	101,404	97,766	94,110	90,436	86,743	83,032	79,302	75,553
FCC Loan 729837001	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
FCC Loan 549187000	0	0	0	0	0	0	0	0	0
FCC Loan 558562001	0	0	0	0	0	0	0	0	0
FCC Loan 723737001	0	0	0	0	0	0	0	0	0
Vehicle Loans (Hespler Tractor)	19,925	19,449	18,973	18,497	18,020	17,542	17,065	16,586	16,108
Due To Genesis	52,201	52,201	52,201	52,201	52,201	52,201	52,201	52,201	52,201
	3,787,525	3,743,147	3,687,250	3,576,092	3,464,935	3,353,777	3,242,620	3,131,462	3,020,305
Equity									
Share Capital	111	111	111	111	111	111	111	111	111
Retained Earnings	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)	(1,260,216)
Cumulative Net Income	84,600	169,200	220,800	305,400	390,000	474,600	559,200	643,800	728,400
Total Liabilities and Equity	2,612,020	2,652,242	2,647,944	2,621,387	2,594,829	2,568,272	2,541,714	2,515,157	2,488,599

Disclaimer:

The above information is based on assumptions regarding future events. Actual results will vary and the variations may be material.

Can-Am Genetics Inc.
Assumptions to Projections
Period Ending December 31, 2023

- 1) All currencies are in Canadian dollars (CAD).
- 2) Revenue forecast is based on...Projections Provided by Sales team and CEO
- 3) Cost of Sales forecast is based on...projections based on Sales Team, CEO and some historic data
- 4) Projected Gross Margin is based on...Projections Provided by Sales team and CEO
- 5) SG&A expenses are forecasted based on...historics from 2022, with some minor adjustments (post COVID 19)
- 6) For simplicity, it is assumed that all payroll costs (both direct labour and SG&A payroll) and employee costs (benefits, etc.) are paid in the month incurred. Yes it is.
- 7) Accounts Receivable collections are based on...Last 6 months of collections and current conversations with customers during time now
- 8) Income Taxes Receivable and SRED Receivable are based on...Conversations had with EY and their correspondence with CRA
- 9) Inventory is constant month after month as it is assumed that purchases will be used in the same month. This is correct
- 10) Capital Assets...Based on projections from the CEO
- 11) The timing of Accounts Payable payments is based on...Conversations with Vendors, Cashflow projections and potential revenue from sales
- 12) Credit Card Payable is constant month after month as it is assumed that purchases will go through trade AP for simplicity. This is correct
- 13) Warranty reserve...Based on historicals
- 14) Due to Related Parties...based on historicals
- 15) Borrowing base assumptions are...Based on historicals



APPENDIX - 13 - GENESUS GENETICS INC. - CASH FLOW MODEL

Genesis Genetics Inc. Projected Cash Flow Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
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CASH IN-FLOWS

Trade Accounts Receivable (Existing)	65,918	65,918	65,918	65,918	65,918	65,918	65,918	65,918	65,918	593,263
Trade Accounts Receivable (New Sales)	625,000	1,012,500	1,782,750	2,568,405	2,619,773	2,672,169	2,725,612	2,780,124	2,835,727	19,622,059
TOTAL CASH IN-FLOWS	690,918	1,078,418	1,848,668	2,634,323	2,685,691	2,738,087	2,791,530	2,846,042	2,901,645	20,215,323

CASH OUT-FLOWS

Operating Activities

Direct Costs

Direct Labour	641,056	653,877	666,955	680,294	693,900	707,778	721,933	736,372	751,100	6,253,265
New AP Payments - COS	192,317	388,480	684,725	986,895	1,006,633	1,026,765	1,047,301	1,068,247	1,089,612	7,490,974
Total Direct Costs	833,373	1,042,357	1,351,680	1,667,189	1,700,533	1,734,543	1,769,234	1,804,619	1,840,711	13,744,239

Overhead Costs

SG&A Payroll and Employee Costs	116,796	116,796	116,796	116,796	116,796	116,796	116,796	116,796	116,796	1,051,164
New AP Payments - SG&A	87,240	174,480	305,340	436,200	436,200	436,200	436,200	436,200	436,200	3,184,260
Opening AP Payments	447,578	447,578	447,578	447,578	447,578	447,578	447,578	447,578	447,578	4,028,206
Bank Charges and Interest	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	135,630
Total Overhead Costs	666,684	753,924	884,784	1,015,644	1,015,644	1,015,644	1,015,644	1,015,644	1,015,644	8,399,260

Total Operating Activities	1,500,058	1,796,282	2,236,464	2,682,833	2,716,177	2,750,188	2,784,878	2,820,263	2,856,356	22,143,499
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Investing Activities

Purchase (Proceeds) of Capital Assets	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	45,000
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TOTAL CASH OUT-FLOWS	1,505,058	1,801,282	2,241,464	2,687,833	2,721,177	2,755,188	2,789,878	2,825,263	2,861,356	22,188,499
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NET INCREASE (DECREASE) IN CASH	(814,139)	(722,864)	(392,796)	(53,510)	(35,486)	(17,101)	1,652	20,779	40,289	(1,973,176)
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CASH (INDEBTEDNESS) BALANCE

Opening Cash (Indebtedness) Balance	(10,748)	(824,888)	(1,547,751)	(1,940,548)	(1,994,058)	(2,029,543)	(2,046,644)	(2,044,993)	(2,024,213)	
Net Increase (Decrease) in Cash	(814,139)	(722,864)	(392,796)	(53,510)	(35,486)	(17,101)	1,652	20,779	40,289	
Closing Cash (Indebtedness) Balance	(824,888)	(1,547,751)	(1,940,548)	(1,994,058)	(2,029,543)	(2,046,644)	(2,044,993)	(2,024,213)	(1,983,924)	

Disclaimer:

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Genesis Genetics Inc. Projected Income Statement	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast	Total Forecast
Revenue										
Sales Revenue	2,500,000	2,550,000	2,601,000	2,653,020	2,706,080	2,760,202	2,815,406	2,871,714	2,929,148	24,386,571
Total Revenue	2,500,000	2,550,000	2,601,000	2,653,020	2,706,080	2,760,202	2,815,406	2,871,714	2,929,148	24,386,571
Cost of Sales										
Projects	1,602,641	1,634,693	1,667,387	1,700,735	1,734,750	1,769,445	1,804,834	1,840,930	1,877,749	15,633,163
Total Cost of Sales	1,602,641	1,634,693	1,667,387	1,700,735	1,734,750	1,769,445	1,804,834	1,840,930	1,877,749	15,633,163
Gross Margin	897,359	915,307	933,613	952,285	971,331	990,757	1,010,572	1,030,784	1,051,400	8,753,408
Gross Margin %	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%	35.89%
Selling, General & Admin Expenses										
Payroll	102,638	102,638	102,638	102,638	102,638	102,638	102,638	102,638	102,638	923,742
Employee Costs	14,158	14,158	14,158	14,158	14,158	14,158	14,158	14,158	14,158	127,422
Selling & Administrative	256,200	256,200	256,200	256,200	256,200	256,200	256,200	256,200	256,200	2,305,800
Factory and Warehouse Costs	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,620,000
Finance Costs	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	15,070	135,630
Depreciation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	36,000
Total Selling, General & Admin Expenses	572,066	572,066	572,066	572,066	572,066	572,066	572,066	572,066	572,066	5,148,594
Income (Loss) from Operations	325,293	343,241	361,547	380,219	399,265	418,691	438,506	458,718	479,334	3,604,814

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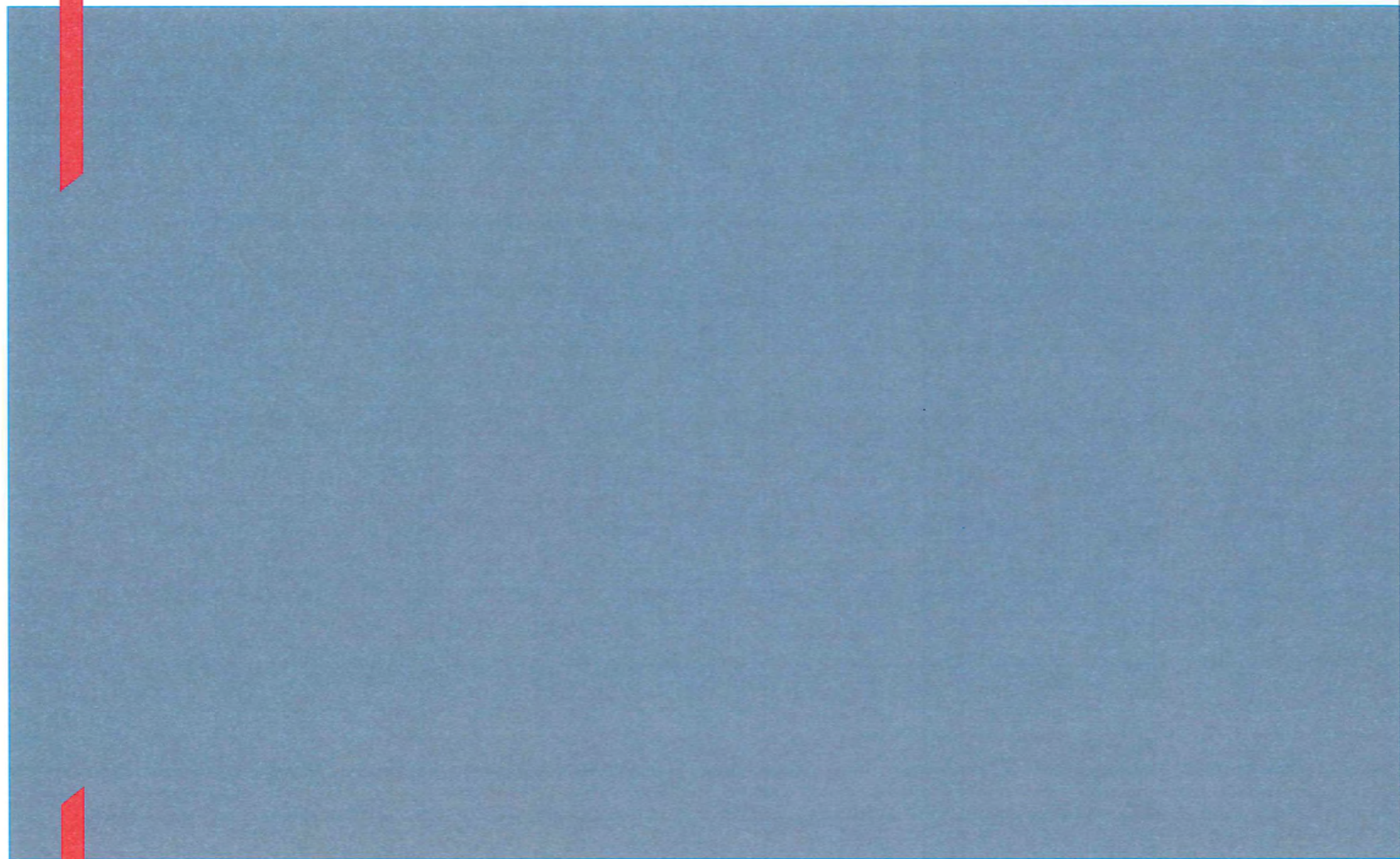
Genesis Genetics Inc. Projected Balance Sheet	Apr-23 Forecast	May-23 Forecast	Jun-23 Forecast	Jul-23 Forecast	Aug-23 Forecast	Sep-23 Forecast	Oct-23 Forecast	Nov-23 Forecast	Dec-23 Forecast
Assets									
Current Assets									
Accounts Receivable - Trade	\$ 3,127,445	\$ 4,599,027	\$ 5,351,358	\$ 5,370,055	\$ 5,390,444	\$ 5,412,560	\$ 5,436,436	\$ 5,462,108	\$ 5,489,611
Other Receivables	150	150	150	150	150	150	150	150	150
Inventory	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922	3,164,922
Prepaid Expenses	500	500	500	500	500	500	500	500	500
Total Current Assets	6,293,016	7,764,598	8,516,930	8,535,627	8,556,016	8,578,131	8,602,007	8,627,679	8,655,183
Capital Assets									
Capital Assets (Cost)	314,788	319,788	324,788	329,788	334,788	339,788	344,788	349,788	354,788
Less: Accumulated Amortization	(133,112)	(137,112)	(141,112)	(145,112)	(149,112)	(153,112)	(157,112)	(161,112)	(165,112)
Capital Assets (NBV)	181,677	182,677	183,677	184,677	185,677	186,677	187,677	188,677	189,677
Security Deposits	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Total Assets	6,488,193	7,960,774	8,714,106	8,733,803	8,755,192	8,778,308	8,803,184	8,829,855	8,858,359
Liabilities & Equity									
Current Liabilities									
Bank Indebtedness	824,888	1,547,751	1,940,548	1,994,058	2,029,543	2,046,644	2,044,993	2,024,213	1,983,924
Accounts Payable - Trade	23,049,569	23,456,047	23,455,036	23,041,004	22,627,642	22,214,966	21,802,987	21,391,720	20,981,179
Accrued Liabilities	18,453	18,453	18,453	18,453	18,453	18,453	18,453	18,453	18,453
Corporate Taxes Payable	630	630	630	630	630	630	630	630	630
Due to Genesis	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973	1,043,973
Long-term Liabilities									
Lease Inducement	797,700	797,700	797,700	797,700	797,700	797,700	797,700	797,700	797,700
Equity									
Share Capital	150	150	150	150	150	150	150	150	150
Retained Earnings	(19,572,464)	(19,572,464)	(19,572,464)	(19,572,464)	(19,572,464)	(19,572,464)	(19,572,464)	(19,572,464)	(19,572,464)
Cumulative Net Income	325,293	668,534	1,030,081	1,410,300	1,809,565	2,228,256	2,666,762	3,125,480	3,604,814
Total Liabilities and Equity	\$ 6,488,193	\$ 7,960,774	\$ 8,714,106	\$ 8,733,803	\$ 8,755,192	\$ 8,778,308	\$ 8,803,184	\$ 8,829,855	\$ 8,858,359

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Genesis Genetics Inc.
Assumptions to Projections
Period Ending December 31, 2023

- 1) All currencies are in Candian dollars (CAD).
- 2) Revenue forecast is based on...Projections Provided by Sales team and CEO
- 3) Cost of Sales forecast is based on...projections based on Sales Team, CEO and some historic data
- 4) Projected Gross Margin is based on...Projections Provided by Sales team and CEO
- 5) SG&A expenses are forecasted based on...historics from 2022, with some minor adjustments (post COVID 19)
- 6) For simiplicity, it is assumed that all payroll costs (both direct labour and SG&A payroll) and employee costs (benefits, etc.) are paid in the month incurred. Yes it is.
- 7) Accounts Receivable collections are based on...Last 6 months of collections and current conversations with customers during time now
- 8) Income Taxes Receivable and SRED Receivable are based on...Conversations had with EY and their correspondence with CRA
- 9) Inventory is constant month after month as it is assumed that purchases will be used in the same month. This is correct
- 10) Capital Assets...Based on projections from the CEO
- 11) The timing of Accounts Payable payments is based on...Conversations with Vendors, Cashflow projections and potential revenue from sales
- 12) Credit Card Payable is constant month after month as it is assumed that purchases will go through trade AP for simiplicity. This is correct
- 13) Warranty reserve...Based on historicals
- 14) Due to Related Parties...based on historicals
- 15) Borrowing base assumptions are...Based on historicals



TAB 4

Account Schedule

Genesis Inc.

Period 09/01/23..09/30/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 09/01/23..09/30/23

Description

Balance

Assets

Current Assets

CIBC - USD	1,735.85	1,735.85
BMO - CDN \$	-185,207.21	-185,207.21
BMO - USD \$	83,807.43	83,807.43
Allowance for Doubtful Account		
Accounts Receivable - Canadian	2,428,481.40	2,428,481.40
Accounts Receivable - USD	28,921,742.68	28,921,742.68
Accounts Receivable - RMB	414,910.36	414,910.36
Accounts Receivable - RUB	82,476.46	82,476.46
Accounts Receivable - EUR	267,814.52	267,814.52
Accounts Receivable - GBP	40,132.19	40,132.19
Due from Shareholder	100.00	100.00
Shareholder Loan	100,000.00	100,000.00
Due from High Country Swine		
Due from Genesis Genetics, Inc.	2,040,269.56	2,040,269.56
Forward Contracts		
Due from Can-Am Genetics	62,681.56	62,681.56
Due from Genesis Life Science (GLS)	678,984.38	678,984.38
Due from Genesis Sarl (France)	200,225.29	200,225.29
Due from Genesis Swine Genetics (GSG) UK	3,357.14	3,357.14
Other Receivables	250,559.13	250,559.13
Other Prepaid Expenses		
Inventory Clearing	509,302.56	509,302.56
Bagot Inventory	157,579.45	157,579.45
Royal Lean Inventory		
Canadian AI - Boars	201,306.00	201,306.00
Durand Barrows	-61,990.19	-61,990.19
Durand Gilts	631,793.37	631,793.37
Van Dewest Finisher		
Prairie Blossom sows	335,009.00	335,009.00
DGI Sows	455,176.00	455,176.00
DGI Offspring	621,243.80	621,243.80
Martin Sows	537,500.00	537,500.00
Inventory - Stud Boars	130,719.00	130,719.00
Total Current Assets	38,909,709.00	38,909,709.00

Account Schedule

Genesis Inc.

Period 09/01/23..09/30/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 09/01/23..09/30/23

Fixed Assets		
Computer Equipment		
Computer Software	124,070.75	124,070.75
Computer Hardware	199,951.78	199,951.78
Accumulated Amortization	-307,808.68	-307,808.68
NBV, Computer Equipment	16,213.85	16,213.85
Technical Equipment - SRED		
Tech Equipment - SRED	398,405.56	398,405.56
Accumulated Amortization	-310,511.29	-310,511.29
NBV, Technical Equipment - SRED	87,894.27	87,894.27
Barn Equipment		
Barn Equipment, Canadian AI	134,022.84	134,022.84
Accumulated Amortization	-79,653.51	-79,653.51
Other Barn Equipment	189,367.21	189,367.21
Accumulation Amortization	-40,207.47	-40,207.47
NBV, Total Barn Equipment	203,529.07	203,529.07
Furniture		
Furniture - Boar's Head	129,044.12	129,044.12
Acc. Dep'n -Boar's Head	-90,131.79	-90,131.79
NBV, Furniture	38,912.33	38,912.33
Vehicles		
Vehicles	1,275,734.69	1,275,734.69
Accumulated Amortization	-1,080,917.76	-1,080,917.76
NBV, Vehicles	194,816.93	194,816.93
Office Equipment	111,588.71	111,588.71
Accumulated Amortization	-109,419.57	-109,419.57
NBV, Office Equipment	2,169.14	2,169.14
Shop Equipment		
Shop Equipment	12,332.90	12,332.90
Accumulated Amortization	-12,332.90	-12,332.90
NBV, Shop Equipment		
Buildings		
Building - Oakville	212,510.27	212,510.27
Acc. Dep'n - Oakville Building	-114,350.33	-114,350.33
NBV, Oakville Building	98,159.94	98,159.94
Boar's Head - Winnipeg	1,826,623.96	1,826,623.96
Accumulated Amortization	-278,470.65	-278,470.65
NBV, Boar's Head - Winnipeg	1,548,153.31	1,548,153.31
Canadian Centre for Gene Transfer	554,719.85	554,719.85
Acc. Dep'n - Canadian AI	-153,567.12	-153,567.12
NBV, Canadian Centre for Gene Transfer	401,152.73	401,152.73

Account Schedule

Genesis Inc.

Period 09/01/23..09/30/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 09/01/23..09/30/23

Total Buildings	2,047,465.98	2,047,465.98
Other Assets		
Security Deposits Paid	200,000.00	200,000.00
NBV, Other Assets	200,000.00	200,000.00
Total Fixed Assets	41,301,217.02	41,301,217.02
Investments		
Investment in Genetic Rights	500,100.00	500,100.00
Investment in Cofco JV		
Accumulated Amortization	-500,100.00	-500,100.00
Net Investment in Genetic Rights		
Investment in KPA		
Investment in Genesis Life Science (GLS)	330.00	330.00
Goodwill		
Total Investments	330.00	330.00
Total Assets	41,701,041.02	41,701,041.02
Liabilities and Equity		
Current Liabilities		
Accounts Payable - Canadian	8,634,525.27	8,634,525.27
Accounts Payable - USD	1,165,414.75	1,165,414.75
Accounts Payable - EUR	590,527.43	590,527.43
Accounts Payable - GBP	1,230,303.34	1,230,303.34
Accounts Payable - RMB		
Customer Deposits	5,290,068.01	5,290,068.01
Due to America	-15,350.00	-15,350.00
Venbridge SRED Loan		
Due to Other	189,229.48	189,229.48
PST/GST/HST Payable	-33,227.61	-33,227.61
Current Portion of LTD		
Corporate Taxes Payable	509,180.65	509,180.65
Future Income Tax Payable		
Accrued Vacation Pay	250,889.56	250,889.56
Deferred Revenue	1,360,371.45	
Accrued Liabilities	57,665.27	57,665.27
Total Current Liabilities	19,229,597.60	19,229,597.60
Long term Liabilities		
FCC Loan 687556001	417,514.60	417,514.60

Account Schedule

Genesis Inc.

Period 09/01/23..09/30/23

Fiscal Start Date 04/01/22

Account Schedule BALANCE1 Balance Sheet

Column Layout BAL ONLY

All amounts are in CDN.

Acc. Schedule Line: Date Filter: 09/01/23..09/30/23

FCC Loan - US Funds		
FCC LOAN - 603492000		
FCC LOAN - 549187000	763,308.80	763,308.80
FCC LOAN - 558562001	120,900.24	120,900.24
FCC LOAN - 723415001 COVID		
FCC LOAN - 723737001	750,000.00	750,000.00
MASC Loan		
Vehicle Loans (Multiple)	3,945.38	3,945.38
Total Long Term Liabilities	9,055,669.02	9,055,669.02
Total Liabilities	28,285,266.62	28,285,266.62
Equity		
Redemption Class A	8.74	8.74
Class C Preferred	1.00	1.00
Class G Common	1,267,399.50	1,267,399.50
Class H Common	1,267,383.72	1,267,383.72
Class E commons shares	1,975,854.52	1,975,854.52
Class F common shares	1,975,854.53	1,975,854.53
Redemption of shares, in excess of paid up capital		
Retained Earnings	9,190,256.99	9,190,256.99
Adjustment to Retained Earnings		
Dividends Paid		
Net Income for the Year	(2,260,984.20)	(2,260,984.20)
Total Equity	13,415,774.80	13,415,774.80
Total Liabilities and Equity	41,701,041.02	41,701,041.02

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