

June 17, 2020

Grant Thornton Limited
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TO: CUSTOMERS AND CREDITORS OF TRIPLE M MODULAR LTD. O/A METRIC MODULAR

As you are aware, on June 1, 2020, Triple M Modular Ltd. o/a Metric Modular ("**Metric Modular**" or the "**Company**") filed a Notice of Intention to Make a Proposal (the "**NOI**") with the Office of the Superintendent of Bankruptcy of Canada pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**"). Upon filing the NOI, Grant Thornton Limited, a Licensed Insolvency Trustee, became the trustee in the proposal of Metric Modular (in such capacity, the "**Proposal Trustee**"). A copy of the Filing Certificate for the NOI can be found on the Proposal Trustee's case website at: www.GrantThornton.ca/MetricModular.

Pursuant to the BIA, Metric Modular is not permitted to make payment of any and all amounts owing by the Company to its creditors as at the date of the NOI filing (i.e. June 1, 2020), however, Metric Modular has confirmed that it intends to pay for all goods and services provided to it on or after June 1, 2020, provided that the purchase of such goods or services was authorized by the Company.

The Company has made provisions to pay suppliers/vendors for goods and services provided after the NOI date in the weekly cash flow projection prepared and filed by the Company on June 10, 2020 (the "**Cash Flow Projection**") for the 13 weeks ending September 4, 2020, as required by subsection 50.4(2)(a) of the BIA¹. The Proposal Trustee is required to monitor the Company's cash receipts and disbursements on a weekly basis to ensure it is adhering to the Cash Flow Projection, and report material variations. The Cash Flow Projection together with the Company's Report on the Cash Flow Projection and the Proposal Trustee's Report on the Cash Flow Projection, both of which are dated June 10, 2020, are collectively enclosed with this notice.

Notwithstanding the above, pursuant to section 65.1 of the BIA, a supplier is prohibited from terminating an existing agreement to provide goods and services to the Company because of the Company's insolvency or the filing of the NOI; however, the supplier is not required to provide the Company with credit terms. While the provision of credit may assist the Company in its restructuring activities, a supplier may require the Company to purchase its goods and services on a "cash on delivery" basis.

Please contact the Proposal Trustee at any time should you have any questions. Contact details for the Proposal Trustee are as follows:

Email: MetricModular@ca.gt.com
Toll-free Telephone Number: +1 (888) 221-2152

GRANT THORNTON LIMITED,
*solely in its capacity as the Proposal Trustee of
Triple M Modular Ltd. o/a Metric Modular,
and not in its personal or corporate capacity*

¹ The Cash Flow Projection has been prepared by management using probable and hypothetical assumptions set out therein, which have been revised by the Proposal Trustee for reasonableness. The Proposal Trustee does not warrant the contents of the Cash Flow Projection.

Triple M Modular Ltd. o/a Metric Modular
Cash Flow Forecast
June 6, 2020 to September 4, 2020

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
For the week ending, in CAD	Notes	12-Jun-20	19-Jun-20	26-Jun-20	03-Jul-20	10-Jul-20	17-Jul-20	24-Jul-20	31-Jul-20	07-Aug-20	14-Aug-20	21-Aug-20	28-Aug-20	04-Sep-20	Total
Opening Cash	1	105,542	296,812	374,722	257,761	699,653	905,666	830,380	821,821	822,029	653,745	738,470	624,391	562,217	105,542
Receipts															
BC Housing - Gibsons	2	-	117,639	-	120,000	-	-	-	-	-	-	-	-	-	237,639
Triple M Housing	3	294,505	424,630	75,835	-	-	-	-	-	-	-	-	-	-	794,970
CEWS	4	-	-	-	250,000	-	-	-	90,000	-	-	-	-	-	340,000
Project Receipts / Other	5	92,929	36,000	73,869	658,824	444,689	584,282	151,171	259,250	-	330,180	-	341,215	218,131	3,190,540
Inventory / Equipment Liquidation	6	-	2,000	-	2,000	-	2,000	-	-	-	-	-	-	-	6,000
Total Receipts		387,434	580,269	149,704	1,030,824	444,689	586,282	151,171	349,250	-	330,180	-	341,215	218,131	4,569,149
Disbursements															
Wages and Benefits		-	257,404	-	175,692	-	82,583	-	81,171	-	76,113	-	206,048	-	879,011
Rent	7	-	-	-	72,343	-	131,256	-	72,343	-	-	-	-	-	275,942
Leases		-	-	-	25,000	-	-	-	-	25,000	-	-	-	-	50,000
GST		-	-	-	-	-	-	-	35,799	-	-	-	128,111	-	163,910
Plant Overhead		7,383	17,383	22,383	22,383	17,323	17,323	17,323	17,323	16,467	16,467	16,467	-	-	188,222
Selling, General & Admin		23,899	23,899	23,899	23,899	24,941	24,941	24,941	24,941	28,381	28,381	28,381	-	-	280,501
Plant Project Costs	5	62,000	75,000	107,500	107,500	-	-	-	-	-	-	-	-	-	352,000
Site Project Costs	5	40,384	30,384	30,384	30,384	48,235	48,235	48,235	48,235	29,205	-	-	-	-	353,681
BC Housing - Gibsons Site Costs	2	62,500	62,500	62,500	62,500	-	-	-	-	-	-	-	-	-	250,000
Total Disbursements		196,165	466,569	246,665	519,701	90,498	304,338	90,498	279,811	99,053	120,961	44,848	334,159	-	2,793,267
Net cashflow from operations		191,269	113,700	- 96,961	511,124	354,191	281,944	60,673	69,439	- 99,053	209,219	- 44,848	7,056	218,131	1,775,882
Other Disbursements															
Legal Counsel Fees		-	5,789	-	-	28,947	-	-	-	-	20,263	-	-	-	55,000
Trustee Fees		-	10,000	-	-	35,000	-	-	-	-	25,000	-	-	-	70,000
Trustee's Legal Counsel Fees		-	-	-	-	15,000	-	-	-	-	10,000	-	-	-	25,000
Settlement of Potential Lien Obligations	8	-	20,000	20,000	69,231	69,231	69,231	69,231	69,231	69,231	69,231	69,231	69,231	69,231	732,308
Repayment of Payroll Advance	9	-	-	-	-	-	288,000	-	-	-	-	-	-	-	288,000
Total Non-Operating Disbursements		-	35,789	20,000	69,231	148,178	357,231	69,231	69,231	69,231	124,494	69,231	69,231	69,231	1,170,308
Ending Cash Balance		296,812	374,722	257,761	699,653	905,666	830,380	821,821	822,029	653,745	738,470	624,391	562,217	711,117	711,117

Management of Triple M Modular Ltd. o/a Metric Modular ("Metric Modular" or the "Company") has prepared this forecasted cash-flow statement (the "Cash Flow Forecast") based on probable and hypothetical assumptions detailed in Notes 1 to 9. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by the Company on June 1, 2020. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Company prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* ("BIA") should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of Agassiz in the Province of British Columbia, this 10th day of June 2020.

Triple M Modular Ltd. o/a Metric Modular
Per:


Joel Holloway, CPA, CA
Chief Financial Officer

Grant Thornton Limited
Per:


Mark Wentzell, CPA, CA, CIRP, LIT
Senior Vice President

Triple M Modular Ltd. o/a Metric Modular
Notes to the Cash Flow Forecast
June 6, 2020 to September 4, 2020

Note 1

The Company had a cash balance of \$nil on June 1, 2020, the commencement date of these proceedings.

Note 2

The "BC Housing (Gibsons Project)" line item relates to a project pursuant to an agreement between Metric Modular and BC Housing Management Commission (the "**Gibsons Project**"). Due to the length of the Gibsons Project and the significant resources required for the execution of same, the Company is forecasting that it would incur a cash loss if it were to complete the Gibsons Project. As such, the Company is in the process of assigning this project to Triple M Housing Ltd. ("**Triple M Housing**"), a related party, by the end of June 2020. As the Company continues to work with the various stakeholders to assign the Gibsons Project, the Company has commenced work on same to ensure it remains on schedule. Accordingly, the Company has forecasted cash receipts and outflows for the Gibson Project until the end of June 2020.

Note 3

Receipts noted in this line item relate to ongoing projects between Metric Modular and Triple M Housing. The Company expects that these projects will be completed by the end of June 2020.

Note 4

The amount projected to be received under the Canadian Emergency Wage Subsidy ("**CEWS**"), relates to eligible wages paid during the months of May and June. It is projected that CEWS will be received approximately one month following submission/payment of related wages.

Note 5

The projected receipts and disbursements related to the Company's ongoing projects have been estimated by Metric Modular on a project by project basis. The Company expects to have all of the outstanding projects completed during the month of August 2020. On June 8, 2020, pursuant to 65.11 of the BIA, the Company disclaimed three (3) customer contracts and therefore will not be continuing with and/or completing same. Accordingly, the cash receipts and disbursements related to the disclaimed projects have been excluded from the Cash Flow Forecast.

Note 6

Certain employees who have been terminated currently have cell phones and other minor electronic equipment that is property of the Company in their possession. The Company anticipates that it will sell some of these assets to these employees. The quantum of these sales are not expected to exceed \$6,000.

In addition, subsequent to the outstanding projects being completed, the Company intends to liquidate its various inventory and equipment. As at the date of this Cash Flow Forecast, the timing, method, and proceeds of a potential sale is unknown. Pursuant to the BIA, the Company will be seeking Court approval of the sale of its assets that are outside the normal course of business.

Note 7

Projected rent includes monthly rent payable for its manufacturing facility located in Agassiz, British Columbia. On June 1, 2020, pursuant to section 65.2 of the BIA, the Company disclaimed the commercial lease related to its facility located in Penticton, British Columbia.

Note 8

Based on consultations with its legal counsel, the Company has estimated that approximately \$900,000 of the total amount owing to creditors prior to the NOI may be subject to provisions of the *Builders' Lien Act* (British Columbia) (the "**BLA**") whereby these creditor claims may have certain priority status under the NOI proceedings. At this time, the Company is unable to determine if and when these claims will be required to be paid out and, as such, it has included a reserve in the Cash Flow Forecast of \$20,000 for the weeks ending June 19, 2020 and June 26, 2020, and then \$69,231 per week beginning the week ending July 3, 2020.

Note 9

Subsequent to the NOI being filed, the Company received an advance of \$288,000 from Triple M Housing which was used to pay the required payroll during the week ending June 5, 2020. The Company is projecting that this advance will be repaid to Triple M Housing during the week ending July 17, 2020.

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-2649058
Estate No. 11-2649058

-- FORM 29 --

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

In the matter of the proposal of
Triple M Modular Ltd. o/a Metric Modular
of the City of Agassiz, in the Province of British Columbia

The attached statement of projected cash flow of Triple M Modular Ltd. o/a Metric Modular, as of the 10th day of June 2020, consisting of the attached summary, has been prepared by the management of the insolvent person (or the insolvent debtor) for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

(a) the hypothetical assumptions are not consistent with the purpose of the projection;

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

(c) the projection does not reflect the probable and hypothetical assumptions.

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

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

Dated at the City of Calgary in the Province of Alberta, this 10th day of June 2020.

Grant Thornton Limited - Licensed Insolvency Trustee

Per:



Mark E. R. Wentzell- Licensed Insolvency Trustee
1100, 332 - 6 Avenue SW
Calgary AB T2P 0B2
Phone: (403) 260-2500

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-2649058
Estate No. 11-2649058

FORM 29 - Attachment
Trustee's Report on Cash-flow Statement
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the matter of the proposal of
Triple M Modular Ltd. o/a Metric Modular
of the City of Agassiz, in the Province of British Columbia

Purpose:

See attached summary.

Projection Notes:

See attached summary.

Assumptions:

See attached summary.

Dated at the City of Calgary in the Province of Alberta, this 10th day of June 2020.

Grant Thornton Limited - Licensed Insolvency Trustee

Per:



Mark E. R. Wentzell - Licensed Insolvency Trustee
1100, 332 - 6 Avenue SW
Calgary AB T2P 0B2
Phone: (403) 260-2500

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-2649058
Estate No. 11-2649058

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

In the matter of the proposal of
Triple M Modular Ltd. o/a Metric Modular
of the City of Agassiz, in the Province of British Columbia

The Management of Triple M Modular Ltd. o/a Metric Modular has developed the assumptions and prepared the attached statement of projected cash flow, as of the 10th day of June 2020, consisting of the attached summary.

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

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

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

Dated at the City of Calgary in the Province of Alberta, this 10th day of June 2020.



Triple M Modular Ltd. o/a Metric Modular
Debtor

Joel Holloway, Chief Financial Officer

Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No. 11-2649058
Estate No. 11-2649058

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

In the matter of the proposal of
Triple M Modular Ltd. o/a Metric Modular
of the City of Agassiz, in the Province of British Columbia

Purpose:

See attached summary.

Projection Notes:

See attached summary.

Assumptions:

See attached summary.

Dated at the City of Calgary in the Province of Alberta, this 10th day of June 2020.



Triple M Modular Ltd. o/a Metric Modular