



**Estate No. 11-2643319
Vancouver Registry**

**IN THE MATTER OF THE BANKRUPTCY OF
EMG EXPERIENTIAL MEDIA GROUP (CANADA) CORP.**

TRUSTEE'S PRELIMINARY REPORT TO CREDITORS

EMG Experiential Media Group (Canada) Corp. ("EMG" or the "Company") filed a voluntary assignment in bankruptcy on May 5, 2020 and KPMG Inc. was appointed as the Trustee in Bankruptcy (the "Trustee") of the estate.

This report has been prepared by the Trustee in order to provide preliminary information to the Company's creditors.

BACKGROUND

EMG was in the business of hosting and designing exhibitions such as Dinosaurs Unearthed™, Dinosaurs Alive!™, Extreme Dinosaurs™, and Xtreme BUGS!™ that provided experiences (indoor, outdoor and media landscape) that ranged in size and scale in more than 100 cities globally. EMG was formed in January 2019 when it purchased the assets and assumed the employment contracts of Dinoking Tech Inc. EMG's head offices were located at #110-11188 Featherstone Way, Richmond, British Columbia (the "Premises").

The Company's financial difficulties appear to have been caused by insufficient working capital and the lack of external sources of funding to maintain operations.

CONSERVATORY AND PROTECTIVE MEASURES

Upon its appointment on May 5, 2020, the Trustee performed the following preliminary conservatory and protective measures to secure the Company's premises and assets located therein, including the following:

- Attended the Premises on May 6, 2020 and met with Management to provide notice of the bankruptcy and to take possession and control of the Premises and assets of the Company;
- Arranged to re-key and/or disable the locks to control access into the Premises;
- Arranged to be added as the primary emergency contact with the sub-landlord which monitors EMG's security system in the office and the 24-hour motion detection surveillance cameras on site;
- Arranged for the redirection of EMG's mail to the Trustee's office;
- Issued letters to the Company's financial institution, Toronto Dominion Bank ("TD"), to notify them of the bankruptcy, close all existing bank accounts and establish estate trust accounts;
- Notified the Company's insurance brokers of the bankruptcy and requested that the Trustee be added as a named insured and loss payee to EMG's existing policies;



- Contacted the sub-landlord for the Premises to notify them of the bankruptcy;
- Corresponded with the creditors of the Company to advise them of the bankruptcy;
- Established a website at <https://home.kpmg/ca/en/home/services/advisory/deal-advisory/creditorlinks/emg-experiential-media-group.html> to publish information on the bankruptcy proceeding; and
- Dispatched claims packages and notices to the unsecured creditors.

BOOKS AND RECORDS

The Trustee has secured the books and records from the Premises and the accounting manager of the Company.

PRELIMINARY EVALUATION OF ASSETS

The following table provides a preliminary summary evaluation of the Company's assets based on information from the Company's Statement of Affairs dated May 5, 2020 (the "SOA") and the Trustee's evaluation.

EMG Experiential Media Group (Canada) Corp.			
Assets	SOA - Estimated Realizable Value	Trustee - Estimated Realizable Value	
		Low	High
Cash in Bank	59,638	54,271	54,271
Due from Experiential Media Group 'EMG' LLC	9,366	-	9,366
GST Refund	-	5,896	5,896
Prepaid expenses and deposits	48,206	-	36,275
Trademarks	600	-	-
Machinery, equipment and plant	10,000	67,212	102,740
Exhibitory fixtures	-	370,757	718,150
Total	127,810	498,136	926,698

Cash

This consists of cash held in accounts at TD. The Trustee contacted TD immediately after the bankruptcy to freeze EMG's accounts and to transfer the funds to the estate trust accounts.

Due from Experiential Media Group 'EMG' LLC

According to the books and records, there is an amount due from Experiential Media Group 'EMG' LLC ("EMG LLC") for \$9,366. The Trustee is in the process of collecting this outstanding receivable.

GST

The Trustee received a GST refund for an amount of \$5,896.34 for the period January 1 to March 31, 2020 which was not accounted for in the Statement of Affairs.



Prepaid expenses and deposits

Prepaid expenses and deposits include amounts relating to annual insurance premium and certain deposits held in relation to a legal retainer and credit cards. The Trustee is in the process of recovering these amounts.

Trademarks

A number of trademarks have been registered in Canada and the United States in respect of the exhibition names, exhibition designs and logos ("Trademarks"). The Trustee will make further inquiry on the status of the registrations and include the Trademarks in the sales process.

Fixed Assets

EMG's fixed assets are comprised primarily of warehouse equipment, exhibitry fixtures (including dinosaur animatronics, décor for exhibits and fossils), office furniture and equipment. The Trustee is in the process of obtaining two appraisals, one from Maynards Industries and the other from Timeline Asset Services for the inventory and fixed assets of the Company and has based the estimated realizable values on initial discussions with the appraisers.

SALE OF ASSETS

The Trustee will commence a process to offer the assets of the Company for sale in due course.

DETAILS OF SECURED INTERESTS

Based on information provided by Management and a review of the Personal Property Registry System, it appears that EMG has no secured interests registered against the Company.

PROVABLE CLAIMS

Potential creditor claims identified in the SOA and the creditor claims filed to May 25, 2020 are summarized below:

EMG Experiential Media Group (Canada) Corp.		
Creditor Type	Statement of Affairs	Filed to May 25, 2020
Preferred Creditors	9,927	14,779
Unsecured Creditors	1,667,468	101,719

The Trustee has performed a preliminary review of the claims filed to date and there are some differences between these and the amounts listed on the SOA. These claims will be reviewed in further detail prior to any distribution to the unsecured creditors.



LEGAL PROCEEDINGS

As at the date of this report, the Trustee is not aware of any legal proceedings against the Company.

REVIEW FOR PREFERENCES AND TRANSFERS AT UNDERVALUE

The Trustee has performed a preliminary review of certain financial information from the Company covering the past year from the date of the Bankruptcy Order. The Trustee has not identified any preferences or transfers at undervalue to-date. The Trustee will conduct further investigation into this matter as part of the review of preferences, subject to Inspector approval.

ESTIMATED ASSET REALIZATIONS AND DISTRIBUTION

Given that there is only minimal value realized from the assets to date, the Trustee is unable to determine estimated realizations for unsecured creditors at this time.

REMUNERATION OF THE TRUSTEE

Prior to the bankruptcy, KPMG Inc. received a retainer from EMG LLC in the amount of \$35,000 and a fee guarantee to cover the Trustee's fees and disbursements to complete the administration.

DATED at the City of Vancouver, British Columbia this 25th day of May, 2020.

KPMG INC.,

Trustee of the Estate of EMG Experiential
Media Group (Canada) Corp.
and not in its personal or corporate capacity

Per: Huey Lee
Senior Vice-President