

Appendix "1"

Retrocom Growth Fund Inc.
Projected Statement of Cash Flow
 For the Period January 31, 2007 through June 30, 2007
 Unaudited
 (\$)

	Notes	Amount
CASH INFLOWS		
Retrocom Mid-Market REIT share sale	2	550,000
TOTAL CASH INFLOWS		550,000
CASH OUTFLOWS		
Accrued professional fees - Trustee	3	55,000
Projected professional fees - Trustee	3	250,000
Accrued professional fees - Legal	3	160,000
Projected professional fees - Legal	3	300,000
Consulting fees	3	111,000
Miscellaneous	4	30,000
TOTAL CASH OUTFLOWS		906,000
NET CASH FLOW		(356,000)
OPENING CASH BALANCE	5	427,000
NET CASH FLOW		(356,000)
ENDING CASH BALANCE		71,000

The above financial projections are based on management's assumptions detailed in Appendix "1-1".
 The note references correspond to the assumption numbers shown in Appendix "1-1".

RETROCOM GROWTH FUND INC.

Per

Date

29.5.07

RSM RICHTER INC.

Per

Date

January 30, 2007

Appendix "1-1"

Retrocom Growth Fund Inc.
Notes to Projected Statement of Cash Flow
For the Period January 31, 2007 through June 30, 2007
Unaudited
(\$)

Purpose and General Assumptions

1. The purpose of the projection is to present a forecast of the cash flow of Retrocom Growth Fund Inc. (the "Fund" or "RGF") for the period January 31, 2007 to June 30, 2007 (the "Period") in respect of its proposal proceedings under the *Bankruptcy and Insolvency Act*. The projected cash flow reflects the Fund's planned course of action during the Period. The underlying assumption is that the Fund will attempt to realize on its remaining investments and that the investments will be closely monitored to ensure that further deterioration does not occur.

The projected cash flow statement has been prepared based on assumptions developed and prepared by the Fund which are normally categorized into two groups:

- Hypothetical assumptions; and
- Most probable assumptions.

Hypothetical Assumptions

2. The sale of the Retrocom Mid-Market REIT ("KMMLUN") shares is based on the assumption that the shares will sell for net proceeds of \$5.50 per share which is expected to remain materially consistent through to the time of the sale.

Most Probable Assumptions

3. Professional fees include the fees of the Proposal Trustee and legal fees associated with the Fund's restructuring proceedings. Legal fees represent the fees of the Company's counsel and counsel to the Proposal Trustee. Consulting fees include payments to be made to the former personnel of Retrocom Investment Management Inc. that have been retained by Richter on behalf of RGF. The fees of the Proposal Trustee, its counsel, and the fees of the Company's counsel are secured liabilities of the Company pursuant to a general security agreement between, *inter alia*, the Company, Bennett Jones LLP and RSM Richter Inc. dated June 7, 2006.

The components of these fees are as follows:

Trustee's fees:

Accrued fees to January 31, 2007	\$ 55,000
Estimated fees from February 1, 2007 to June 30, 2007	250,000
Total	<u>\$ 305,000</u>

Legal fees (including fees of counsel to the Proposal Trustee):

Accrued fees to January 31, 2007	\$ 160,000
Estimated fees from February 1, 2007 to June 30, 2007	300,000
Total	<u>\$ 460,000</u>

Consulting Fees:

\$ 111,000

4. Miscellaneous costs are based on historical results.

5. Approximately \$202,000 of the opening cash balance is not available for general corporate purposes.

RETROCOM GROWTH FUND INC.

Per

Date

RSM RICHTER INC.

Per

Date

January 31, 2007

RSM Richter Inc.

200 King St. W., P.O. Box 48
Toronto, ON M5H 3T4
Tel: 416.932.8000 Fax: 416.932.6200
www.rsmrichter.com

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

The attached statement of projected cash flow of Retrocom Growth Fund Inc., as of the 31st day of January, 2007, consisting of a Cash Flow Statement for the period January 31, 2007 to June 30, 2007, has been prepared by the management of the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 5.

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

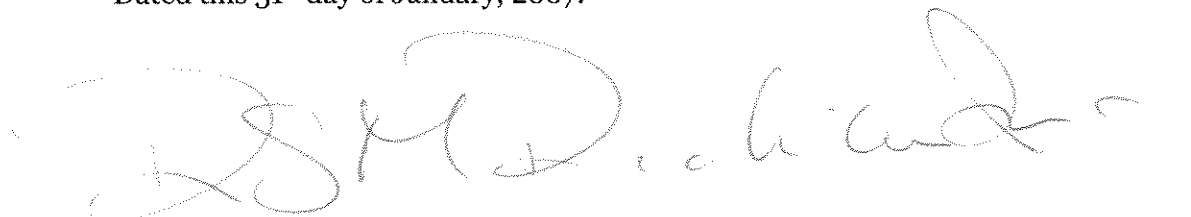
Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- (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 by management are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

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

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

Dated this 31st day of January, 2007.

A large, stylized handwritten signature in dark ink, appearing to read "RSM Richter Inc.", is written across the page.

**RSM RICHTER INC.
IN ITS CAPACITY AS PROPOSAL TRUSTEE OF
RETROCOM GROWTH FUND INC.
AND NOT IN ITS PERSONAL CAPACITY**

**Report on Cash Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the BIA)**

The management of Retrocom Growth Fund Inc. ("RGF") has developed the assumptions and prepared the attached statement of projected cash flow of RGF for the period January 31, 2007 to June 30, 2007.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of RGF and provide a reasonable basis for the projection. All such assumptions are disclosed in Notes 2 to 5.

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 Note 1, using a set of probable and hypothetical assumptions set out in Notes 2 to 5. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Ottawa, this 31st day of January, 2007.

RETROCOM GROWTH FUND INC.



Robert Blakely