



This is the First Affidavit
of Mark Kemp-Gee in this case and
was made on 06/MAR/2023

NO. S-231354
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
CANWEST AEROSPACE INC. AND CAN WEST GLOBAL AIRPARTS INC.

AFFIDAVIT

I, **MARK KEMP-GEE**, Senior Manager, of 2nd Floor, 626 6th Avenue, New Westminster, British Columbia, SWEAR (AFFIRM) THAT:

1. I am a Senior Manager in Special Loans and Advisory Services with Royal Bank of Canada ("**RBC**"), and as such have personal knowledge of the facts and matters hereinafter deposed to save and except where stated to be based on information and belief and where so stated, I verily believe the same to be true.
2. I am authorized to make this affidavit on behalf of RBC.
3. I make this affidavit further to my first affidavit made on January 31, 2023 (the "**First Kemp-Gee Affidavit**"), and filed in the Supreme Court of British Columbia, Vancouver Registry, Action No. S-230764, and in support of the relief sought in the notice of application filed in that proceeding on January 31, 2023, returnable February 14, 2023 (the "**Receivership Application**").

4. This affidavit should be read in conjunction with the First Kemp-Gee Affidavit. Unless otherwise indicated herein, I adopt the defined terms set out in the First Kemp-Gee Affidavit for the purpose of this affidavit.
5. This affidavit also responds to certain matters raised in the first affidavit of Thomas Jackson ("**Mr. Jackson**"), made on February 24, 2023 (the "**First Jackson Affidavit**"), and the second affidavit of Thomas Jackson, made on March 6, 2023 (the "**Second Jackson Affidavit**"), both filed in the Supreme Court of British Columbia, Vancouver Registry, Action No. S-231354, and in support of the petition to the court filed February 24, 2023 (the "**CCAA Petition**"), filed by CW Aerospace and CW Airparts (collectively, the "**Debtors**") for relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). Mr. Jackson is the sole director and an officer of CW Aerospace and CW Airparts.
6. For the reasons set out below, RBC does not support the CCAA Petition and continues to seek the relief sought in the Receivership Application.

The Debtors' reporting requirements

7. As set out in the loan agreement dated November 2, 2021 (as amended, the "**Aerospace Credit Agreement**"), between CW Aerospace, as borrower, and RBC, as lender (attached as Exhibit "A" to the First Kemp-Gee Affidavit) and the loan agreement dated July 9, 2018 (the "**Airparts Credit Agreement**"), between CW Airparts, as borrower, and RBC, as lender (attached as Exhibit "I" to the First Kemp-Gee Affidavit), both CW Aerospace and CW Airparts have certain reporting requirements to RBC.
8. Under the Aerospace Credit Agreement, CW Aerospace is required to provide the following, among other things:
 - (a) quarterly company prepared financial statements for CW Aerospace, within 45 days of each fiscal quarter end;
 - (b) annual review engagement financial statements for CW Aerospace, within 90 days of each fiscal year end; and
 - (c) such other financial and operating statements and reports as and when RBC may reasonably require.
9. CW Aerospace has not complied with all its obligations in this regard.
10. I am informed by Dan Giesbrecht ("**Mr. Giesbrecht**"), Senior Relationship Manager at RBC, and verily believe it to be true, that RBC did not receive CW Aerospace's quarterly

financial statements for the third quarter of fiscal 2022. I have not received CW Aerospace's quarterly financial statements for the fourth quarter of fiscal 2022.

11. In addition, I am informed by Mr. Giesbrecht, and verily believe it to be true, that CW Aerospace were significantly late in providing quarterly reports for the first and second quarters of fiscal 2022. This has hampered RBC's ability to monitor the CW Aerospace's financial performance.
12. On or about December 7, 2022, Tara Lundy ("**Ms. Lundy**"), chief financial officer for CW Aerospace and CW Airparts, provided the following documents to me with respect to CW Aerospace:
 - (a) interim profit and loss January 1 through December 7, 2022 (the "**Interim P&L**"), attached and marked as **Exhibit "A"** to my affidavit is a copy the Interim P&L;
 - (b) balance sheet as of December 7, 2022 (the "**December 2022 Balance Sheet**"), attached and marked as **Exhibit "B"** to my affidavit is a copy the December 2022 Balance Sheet; and
 - (c) accounts receivable aging summary as of December 7, 2022 (the "**AR Summary**"), attached and marked as **Exhibit "C"** to my affidavit is a copy the AR Summary.
13. At the time Ms. Lundy provided the above documents, she informed me that the posting was not up to date. Attached and marked as **Exhibit "D"** to my affidavit is a copy of an email from Ms. Lundy to me dated December 7, 2022.
14. RBC has not been provided any information to support the accuracy of the above documents.
15. On or about January 4, 2023, I emailed Ms. Lundy to ask if she had been able to update the Debtors' books for yearend. I also requested a draft profit and loss statement and balance sheet for CW Aerospace's fiscal year ended December 31, 2022 ("**Fiscal 2022**"), along with updated accounts receivable and accounts payable listings (among other things). Attached and marked as **Exhibit "E"** to my affidavit is a copy of the email from me to Ms. Lundy dated January 4, 2023.
16. On or about January 5, 2023, Ms. Lundy confirmed the Debtors' books had not been updated for yearend. As it relates to the requested December 31, 2022 financial information, Ms. Lundy did not provide the draft financial information that I requested. Attached and marked as **Exhibit "F"** to my affidavit is a copy of an email from Ms. Lundy to me dated January 5, 2023.

17. RBC remains concerned about reliability of the above noted documents, and to date, has not been provided with reliable Fiscal 2022 financial information for CW Aerospace.
18. Given the general lack of reliable financial information for Fiscal 2022, RBC has not been able to assess CW Aerospace's current finances.
19. Under the Airparts Credit Agreement, CW Airparts is required to provide the following, among other things:
 - (a) annual notice to reader financial statements for CW Airparts, within 120 days of each fiscal year end; and
 - (b) such other financial and operating statements and reports as and when RBC may reasonably require.
20. Ms. Lundy has provided some information with respect to CW Aerospace, but no information with respect to CW Airparts.

RBC sought information and a plan from the Debtors before making demand

21. RBC has consistently communicated its concerns to the Debtors through correspondence with Ms. Lundy and Mr. Jackson.
22. At paragraph 62 of the First Jackson Affidavit, Mr. Jackson states RBC froze the Debtors' operating line of credit in September 2022. In response to this statement, I am informed by Mr. Giesbrecht and verily believe it to be true that:
 - (a) By way of telephone conversations, Mr. Giesbrecht kept Ms. Lundy informed on the status of the Debtors' various RBC accounts.
 - (b) The Debtors had a history of overdrafts that RBC approved for a short period in the summer of 2022 as well as other intermittent approvals.
 - (c) In early September 2022, there were a series of overdrafts in the Debtors' RBC CAD account and RBC USD account that raised concerns for RBC and Mr. Giesbrecht communicated this to Ms. Lundy.
 - (d) On or about September 22, 2022, Mr. Giesbrecht emailed Ms. Lundy to request confirmation that the overdraft in the RBC CAD account and RBC USD account would be covered that day and to outline the source of funds. Attached and marked as **Exhibit "G"** to my affidavit is a copy of the email from Mr. Giesbrecht to Ms. Lundy dated September 22, 2022.

- (e) On or about October 4, 2022, Ms. Lundy and Mr. Giesbrecht exchanged emails with respect to the status of certain contracts and accounts receivable. Attached and marked as **Exhibit "H"** to my affidavit is a copy of the email thread between Ms. Lundy and Mr. Giesbrecht dated October 4, 2022.
 - (f) On or about October 4, 2022, the RBC CAD account and RBC USD account were put on deposit only and an overdraft was approved until October 14, 2022.
 - (g) The Debtors were unable to provide any deposits to satisfy the outstanding balances on the various RBC accounts.
23. The RBC facility advanced in respect of the Bangladesh Contract (defined and discussed below) initially matured in full on September 30, 2022. CW Aerospace did not repay the advances under that facility and, as a result, CW Aerospace was in default under that facility in October 2022 (and until the repayment date for that facility was amended on or about December 30, 2022). For this, and other reasons, CW Aerospace's RBC accounts remained on deposit only in the Fall of 2022.
24. An account being on deposit only does not limit a customer's access to that accounts' details or information.
25. On or about November 17, 2022, RBC initiated the transfer of the Debtors' file to Special Loans and Advisory Services. Upon completion of this transfer, on or about December 1, 2022, Mr. Giesbrecht emailed a letter Ms. Lundy and Mr. Jackson to formally notify the Debtors of the transfer and that I would be the Commercial Account Manager for the Debtors' file going forward.
26. I have had numerous correspondence and telephone conversations with Ms. Lundy and Mr. Jackson setting out RBC's concerns and requesting information.
27. On or about December 6, 2022, RBC removed the RBC CAD account and RBC USD account from deposit only status, but these accounts were not permitted to be in overdraft. I emailed Ms. Lundy and Mr. Jackson in this regard. Further, understanding that the Debtors had certain critical expenses with respect to rent and insurance, RBC was willing to provide a short-term increase on CW Aerospace's operating line of credit to cover such expenses. Attached and marked as **Exhibit "I"** to my affidavit is a copy of the email from me to Ms. Lundy and Mr. Jackson dated December 6, 2022.
28. By email dated January 4, 2023 (attached as Exhibit "E" to this affidavit), I requested documentation showing what was expected for the Debtors over the next couple of months and for fiscal 2023. I noted that RBC needed to be provided something showing the Debtors' plans for turning the situation around.

29. On or about January 17, 2023, after RBC made demand, I had a call with Ms. Lundy and Mr. Jackson and told them RBC would consider discussing a plan to bring the Debtors into good standing or repayment to RBC if they wished to submit such a plan in order to engage with RBC in that regard. Although Ms. Lundy said she would work on such a plan, RBC did not subsequently receive anything in this regard from the Debtors.
30. Ms. Lundy and Mr. Jackson have also mentioned other incoming contracts to me. However, they have not provided any documentation to substantiate these contracts or provided specific details with respect to the expected timing, funding requirements and profitability of any of them.

RBC's concerns regarding its security and the financial state of the Debtors

31. On or about June 30, 2022, RBC was provided CW Aerospace's financial statements for the year ended December 31, 2021 (the "**2021 Financial Statements**"). The 2021 Financial Statements are attached as Exhibit "F" to the first affidavit of Jaime Landa, made on February 23, 2023, filed in the Supreme Court of British Columbia, Vancouver Registry, Action No. S-231354, and in support of the CCAA Petition.
32. Comparing the 2021 Financial Statements and the December 2022 Balance Sheet, it would appear CW Aerospace's fixed assets had decreased significantly between December 31, 2021 and December 7, 2022. The 2021 Financial Statements reported that CW Aerospace's property and equipment had a total cost of \$1,461,815 and net book value of \$914,668 as at December 31, 2021.
33. However, the December 2022 Balance Sheet reported CW Aerospace's property and equipment had a total cost of \$681,468 with a net book value of \$217,490 as at December 7, 2022.
34. Based on my review of these documents, these differences appeared to be accounted for by a decrease in the tools asset category, the total cost value of which decreased by \$780,346, from \$936,617 to \$156,271, between December 31, 2021, and December 7, 2022.
35. In addition, on or about December 5, 2022, Ms. Lundy and Mr. Jackson told me that the Debtors had no cash flow, were unable to buy parts for projects and were trying to liquidate some larger assets to generate cash. On the same call, Mr. Jackson said he had been trying to sell inventory to generate cash.
36. As a result of the issues described in paragraphs 32–35 above, at the time of demand and filing the Receivership Application, I was concerned CW Aerospace had been

liquidating RBC's security and that CW Aerospace's inventory, as stated on the December 2022 Balance Sheet, may be materially overstated.

Responses to the First Jackson Affidavit

37. Based on the issues encountered to date getting reliable financial information for the Debtors from Ms. Lundy and Mr. Jackson, RBC is concerned that the reported liabilities and expenses in the First Jackson Affidavit may not be accurate. RBC is also concerned CW Aerospace's assets may be overstated.

Financial performance in Fiscal 2022

38. At paragraph 7 of the First Jackson Affidavit, Mr. Jackson states that the Debtors' business has begun to rapidly improve at an exponential rate. However, Mr. Jackson does not provide current financial information in that regard.
39. Based on the Interim P&L, for January 1 through December 7, 2022, CW Aerospace had sales revenue of \$1,908,055.43; gross profit of \$700,206.55 and a net loss of \$416,006.76. Compared to the 2021 Financial Statements, Fiscal 2022 appears to be a worse year for CW Aerospace. For the year ended December 31, 2021, CW Aerospace had sales revenue of \$3,647,175, gross profit of \$811,150 and a net loss of \$50,302.
40. Although CW Aerospace had a successful year in 2018, with total revenue of \$8,319,308 and net income of \$911,077, in each subsequent year CW Aerospace has posted a net loss. Given 2019 was before the COVID-19 pandemic, the company's downward trajectory cannot be explained solely by the COVID-19 pandemic.
41. Further, based on the information available to RBC, it does not appear that CW Aerospace has actually improved its financial performance in Fiscal 2022. As a result, RBC does not have any confidence Ms. Lundy and Mr. Jackson will be able to return the Debtors to profitability.

Issues with cash account balances

42. At paragraph 27(a) of the First Jackson Affidavit, Mr. Jackson states CW Aerospace has approximately \$200,000 in bank accounts and cash. Further, the balance sheet dated February 22, 2023, which is Exhibit "C" to the First Jackson Affidavit, shows an RBC USD account with a balance of \$294,036.22. However, the actual balance of the RBC USD account was \$4,075.38 as of February 22, 2023. Attached and marked as **Exhibit "J"** to my affidavit are copies of account statements for CW Aerospace's RBC CAD account and RBC USD account, as of February 22, 2023, and March 6, 2023.

43. With respect to CW Aerospace's operating line of credit, in December 2022, RBC arranged two temporary overages totaling \$70,000, subject to repayment in early January. RBC provided CW Aerospace these additional amounts based on urgent requests from Ms. Lundy to pay rent and critical aircraft insurance, among other requirements. To date, the \$70,000 has not been repaid and the operating line of credit balance was \$87,258.83 over the \$1,000,000 authorized limit as of March 6, 2023, including accrued interest. Attached and marked as **Exhibit "K"** to my affidavit is a copy of account statements for CW Aerospace's account and operating line of credit as of March 6, 2023.
44. Given the above noted issues and inaccuracy, RBC is concerned that current management does not have a sufficient grasp of the Debtors' financial affairs to suggest. RBC would receive a better return on its security by allowing current management to continue to operate the business in the normal course. To the contrary, there appears to be a real risk that current management may take actions that will further erode RBC's security position.

Completion of the Bangladesh contract

45. The Debtors primarily rely on payments under an export contract with the Directorate General of Defense Purchase of Bangladesh (the "**Bangladesh Contract**") as the basis for repaying RBC.
46. RBC has been providing financing to CW Aerospace for the completion of the Bangladesh Contract since in or about December 2021. RBC was advised that 90% of the Bangladesh Contract would be paid by the middle of 2022. As a result, RBC viewed this as short-term financing.
47. In or about September 2022, RBC was advised that the Bangladesh Contract would be materially delayed. At the time, the updated estimated completion date was March 2023.
48. As the RBC facility for the Bangladesh Contract was a term facility, which was due on September 30, 2022, RBC and CW Aerospace agreed to amend the maturity date for this facility to be January 31, 2023 (this date coincided with the extension of the EDC Guarantees noted below). This is set out in the amending agreement dated December 30, 2022, between CW Aerospace, as borrower, and RBC, as lender (attached as Exhibit "B" to the First Kemp-Gee Affidavit).
49. The EDC Guarantees (defined and discussed below) expired as of August 31, 2022 and September 30, 2022. EDC extended the expiry dates under both EDC Guarantees to January 31, 2023, to provide Special Loans and Advisory Services at RBC time to review the Debtors' file and determine RBC's strategy moving forward.

50. As stated in the email from Ms. Lundy to Mr. Giesbrecht dated October 4, 2022 (Exhibit "H" to this affidavit), there have been delays in completing work under the Bangladesh Contract. As stated by Ms. Lundy, CW Aerospace sent an employee to gather required measurements in September 2022 to progress the Bangladesh Contract.
51. On or about October 14, 2022, CW Aerospace informed RBC that its supplier had an expected delivery date of June 30, 2023, which would mean that material payment would only occur in July or August 2023.
52. Further, RBC has not been provided an updated profitability analysis for the Bangladesh Contract. CW Aerospace has not provided information regarding whether there are additional costs complete the Bangladesh Contract, and if so, how it is paying for those costs. In any event, RBC will not fund any additional draws given the expiry of the EDC Guarantees.
53. The work under the Bangladesh Contract is still not complete, and as a result, this is not merely an issue of collecting outstanding accounts receivable from Bangladesh.

Issues with other contracts and collecting on accounts receivable

54. At paragraph 23 of the First Jackson Affidavit, Mr. Jackson describes the business model for CW Aerospace's foreign contracts, which comprise 90% of CW Aerospace's work (according to Mr. Jackson at paragraph 21).
55. Based on the First Jackson Affidavit, RBC is CW Aerospace's primary lender. RBC has a first priority security interest over all of the Debtor's present and after-acquired personal property, including but not limited to, accounts receivable.
56. Based on the information currently available, in particular the current state of the Debtors' finances, RBC is not willing to advance further funds to the Debtors for the purpose of completing outstanding contracts or to support new contracts.
57. Further, CW Aerospace has not suggested to RBC that they have other potential financing to complete existing contracts or new contracts.
58. At paragraph 60 of the First Jackson Affidavit, Mr. Jackson states many customers have inexplicably been unable to pay the Debtors after completing contracts. This statement is consistent with information provided by Ms. Lundy and Mr. Jackson to RBC.
59. As stated in the email from Ms. Lundy to Mr. Giesbrecht dated October 4, 2022 (Exhibit "H" to this affidavit), there have been issues collecting on a contract for work in Ecuador. This is consistent with other correspondence and conversation I have had with Ms. Lundy and Mr. Jackson in this regard.

60. Based on the AR Summary, as of December 7, 2022, the vast majority of CW Aerospace's accounts receivable were over 61 days. CW Aerospace has not provided details about the status of collections or any updates to RBC in this regard. Mr. Jackson has not provided current information regarding accounts receivable in the First Jackson Affidavit.
61. At paragraph 70 of the First Jackson Affidavit, Mr. Jackson suggests the Debtors have "other contracts". RBC has been made aware of some potential new contracts. Despite requests for confirmatory information regarding these potential contracts, RBC has not been provided any documentation in this regard, such as written contracts, costs, sources of financing and projected profitability. As a result, RBC has not been able to assess these contracts or whether there is a realistic possibility of any such contract materializing and being profitable.
62. Based on the ongoing issues with respect to completing contracts and collecting accounts receivable, RBC does not believe the Debtors can reliably meet their cash flow requirements based on cash receipts on accounts receivable alone.

Export Development Canada Guarantees

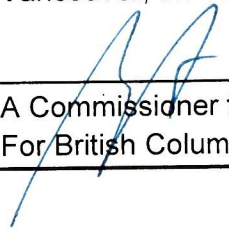
63. At paragraphs 37–38 of the First Jackson Affidavit, Mr. Jackson provides information with respect to certain Export Development Canada ("EDC") guarantees, which exist under EDC's Export Guarantee Program (the "EDC Guarantees"). The EDC Guarantees and related documents are attached as Exhibits to the Second Jackson Affidavit.
64. On or about December 2, 2022, EDC extended the expiry dates under the EDC Guarantees to January 31, 2023. EDC provided this extension to provide Special Loans and Advisory Services at RBC time to review the Debtors' file and determine RBC's strategy moving forward.
65. EDC has not provided further extensions to either of the EGP Guarantees beyond January 31, 2023.
66. As stipulated in the EDC Guarantees, these agreements are more akin to residual loss insurance. RBC has submitted Notices of Intention to Enforce (as defined in the EDC Guarantees) and RBC cannot collect under the EDC Guarantees until after it has exhausted enforcement against CW Aerospace and any guarantors.
67. I am informed by Michaele Azor, Special Risks Manager at EDC, and verily believe it to be true that CW Aerospace should not expect or assume that EDC will support any of their contracts that are insured under the Export Guarantee Program if the Debtors

pursue a restructuring under the CCAA. Further, EDC would only consider renewing the EDC Guarantees if RBC is supporting the restructuring and even if that were the case, which it is not, EDC could refuse to guarantee any new funding.

RBC provided time to file the CCAA Petition

68. As noted in the First Kemp-Gee Affidavit, I am informed by RBC's solicitors, Dentons Canada LLP ("**Dentons**"), and verily believe it to be true, that on or about January 17, 2023, demand was made on CW Aerospace and CW Airparts in respect of the loan facilities advanced from RBC to CW Aerospace and CW Airparts. The demand included notices of intention to enforce security under section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.
69. Since demand was made on CW Aerospace and CW Airparts no monies have been paid to RBC in respect of the amounts owing to RBC from CW Aerospace and CW Airparts.
70. During the 10-day notice period, I was contacted by Ms. Lundy and Mr. Jackson. However, I was not provided with any information regarding when or how the Debtors would pay the amounts owing to RBC. Further, I was not provided any current financial information for either CW Aerospace or CW Airparts.
71. I am further informed by Dentons, and verily believe it to be true that on or about February 3, 2023, the Debtors were served with the Receivership Application.
72. As noted above, the Receivership Application was returnable February 14, 2023.
73. I am further informed by Dentons, and verily believe it to be true that on or about February 13, 2023, counsel for the Debtors contacted Dentons and requested that the Receivership Application be adjourned to February 22, 2023. Counsel had recently been retained by the Debtors and required time to review the Receivership Application, supporting materials and the Debtors' circumstances. Although RBC was not provided any information regarding what steps the Debtors were considering, RBC agreed to adjourn the application.
74. Between February 13 and 21, 2023, RBC did not receive any contact from, or information in respect of, the Debtors.
75. I am further informed by Dentons, and verily believe it to be true that on or about February 21, 2023, counsel for the Debtors contacted Dentons and requested a further adjournment of the Receivership Application in order to file the CCAA Petition. Subject to the terms set out in the order made after application, dated February 22, 2023, RBC agreed to adjourn the Receivership Application to February 27, 2023.

This is **Exhibit "A"**, referred to in the
Affidavit of Mark Kemp-Gee
Affirmed before me at the City of
Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

CanWest Aerospace Inc.
Profit & Loss
 January 1 through December 7, 2022

	Jan 1 - Dec 7, 22
Ordinary Income/Expense	
Income	
4000 · Sales Revenue	
4001 · Electrical Repair Revenue CDN	2,384.86
4002 · Cargo Hook Repair Revenue CDN	10,211.50
4005 · Structures Repair Revenue CDN	420.00
4006 · Instruments Repair Revenue CDN	1,313.48
4009 · Avioncs Revenue CDN	63,979.40
4011 · Electrical Repair Revenue USD	5,985.58
4012 · Cargo Hook Repair Revenue USD	47,236.70
4013 · D/F/M/L Repair Revenue USD	19,972.08
4014 · F/H/WB/P Repair Revenue USD	21,415.21
4015 · Structure Repair Revenue USD	128,504.95
4016 · Instruments Repair Revenue USD	744.34
4017 · Undocumented Parts	223.38
4018 · Brush Cadmium Plating	4,460.17
4019 · Avioncs Revenue USD	1,274.61
4020 · Repair Revenue CDN	6,196.25
4025 · Repair Revenue US/International	258,335.59
4030 · Parts Revenue CDN	134,611.28
4031 · Aeroshell Oil Sales CDN	41,420.54
4035 · Parts Revenue US/International	487,822.15
4045 · Parts Exchange US/International	35,508.97
4050 · Core Exchange CDN	-1,000.00
4055 · Core Exchange US/International	-4,364.85
4070 · Contract Prod. CDN	8,650.22
4075 · Contract Prod. US/International	607,308.52
4080 · Shop Supplies CDN	2,833.73
4085 · Shop Supplies US/International	22,606.77
Total 4000 · Sales Revenue	1,908,055.43
4100 · Consulting Revenue	
4140 · Aircraft Logistics CDN	1,100.00
4145 · Aircraft Logistics USD	68,320.65
Total 4100 · Consulting Revenue	69,420.65
4200 · Other Revenue	
4220 · Freight Revenue	9,204.77
4240 · Miscellaneous Revenue	24,665.67
4280 · Environmental Fees	14.95
Total 4200 · Other Revenue	33,885.39
4300 · Manufacturing Revenue	
4320 · Manufacturing United States	44,887.67
Total 4300 · Manufacturing Revenue	44,887.67
Total Income	2,056,249.14
Cost of Goods Sold	
5000 · Cost of Goods Sold	
5020 · Materials Purchased CDN	58,166.50
5025 · Materials Purchased US	288,379.95
5030 · Contract Production Labour CDN	50,486.64
5035 · Contract Prod. Labour US/Inter	548,235.88
5040 · Brokerage Fees	6,081.48
5050 · Technical Labour	411,475.89
5070 · Aircraft Mntce Labour	15,670.00
5080 · Travel Expenses - Billable	-22,453.75
Total 5000 · Cost of Goods Sold	1,356,042.59
Total COGS	1,356,042.59
Gross Profit	700,206.55

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12/07/22

Accrual Basis

CanWest Aerospace Inc.
Profit & Loss
 January 1 through December 7, 2022

3

	Jan 1 - Dec 7, 22
Expense	
5100 · Production Expense	
5115 · Freight Charges	25,432.04
5116 · Freight Exp. to Customer	-47.62
5130 · Rental Equipment	2,583.70
5135 · Equipment Lease	485.74
5140 · R & M Building & Equipment	3,088.04
5150 · Shop Supplies	6,223.06
5160 · Utilities	
5161 · Hydro	8,843.60
5162 · Gas	6,483.70
5163 · Alarm Monitoring	209.70
5164 · Water	165.00
5166 · Internet	1,374.38
Total 5160 · Utilities	17,076.38
5170 · Manual Purchases	2,976.14
5173 · Training	113.00
5180 · Garbage Removal	1,726.95
5183 · Small Tool Purchase	1,993.20
5185 · Tool Calibration	4,230.43
5190 · Certification Costs	769.66
5195 · Misc Production Expenses	2,428.30
Total 5100 · Production Expense	69,079.02
5200 · Marketing	
5220 · Advertising	7,011.85
5230 · Memberships	1,876.26
5235 · Misc Marketing Expenses	117.31
5240 · Trade Show Expenses	16,343.29
5245 · Sales Travel Expenses	1,317.93
Total 5200 · Marketing	26,666.64
5300 · General Administrative Expenses	
5310 · Benefits to Staff (gifts, meals)	990.46
5340 · Payroll Expenses	
5342 · Administration Wages	188,179.56
5343 · Management Wages	42,307.65
5344 · CPP - Company	36,356.44
5345 · EI - Company Cost	12,327.07
Total 5340 · Payroll Expenses	279,170.72
5350 · WCB Expense	7,117.58
5355 · Benefits Expense	31,086.02
5365 · Interest and Bank Charges	79,353.08
5375 · Computer Support	38,226.94
5380 · Courier and Postage	41.14
5395 · Auto Expense	5,429.92
5400 · Office Supplies	5,053.23
5420 · Telephone	4,984.88
5425 · Rent	246,877.65
5435 · Repairs and Maintenance	1,850.52
5440 · Meal & Entertainment	851.46
5500 · Insurance	
5520 · Insurance - Keyman	94,700.00
5525 · Insurance - Commercial	5,012.60
5530 · T Jackson Insurance	11,783.40
Total 5500 · Insurance	111,496.00

8:11 AM

12/07/22

Accrual Basis

CanWest Aerospace Inc.
Profit & Loss
January 1 through December 7, 2022

4

	<u>Jan 1 - Dec 7, 22</u>
5600 · Professional Fees	
5620 · Legal Fees	2,576.56
5625 · Accounting Fees	1,100.00
Total 5600 · Professional Fees	<u>3,676.56</u>
Total 5300 · General Administrative Expenses	816,206.16
5353 · BC Health Tax	24,644.54
5810 · Interest/Penalty	410.69
6000 · Bangladesh Expenses	
6020 · Bangladesh Material Canadian	784.39
6035 · Bangladesh Contract Prod US	8,062.38
6040 · Bangladesh Brokerage Fees	548.46
6080 · Sales Expense - Billable	335.53
6115 · Bangladesh freight & transport	18,578.31
6365 · Bangladesh Bank fees	150,897.19
Total 6000 · Bangladesh Expenses	<u>179,206.26</u>
Total Expense	<u>1,116,213.31</u>
Net Ordinary Income	-416,006.76
Other Income/Expense	
Other Expense	
5390 · Exchange Gain/Loss	8,475.46
Total Other Expense	<u>8,475.46</u>
Net Other Income	<u>-8,475.46</u>
Net Income	<u><u>-424,482.22</u></u>

This is **Exhibit "B"**, referred to in the Affidavit of Mark Kemp-Gee Affirmed before me at the City of Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

8:13 AM

12/07/22

Accrual Basis

CanWest Aerospace Inc.
Balance Sheet
As of December 7, 2022

6

	Dec 7, 22
ASSETS	
Current Assets	
Chequing/Savings	
1030 · Cash Clearing - CDN	44,926.76
1035 · Cash Clearing - USD	-13,575.30
1036 · RBC US loan payments	3,938.73
1040 · RBC CDN	-52,269.63
1050 · RBC USD	320,593.16
1055 · Loss/Gain on Foreign Exchange	550.05
1060 · TD Canada Trust CDN	-30,025.40
1065 · Petty Cash	300.00
1070 · TD Canada Trust USD	8,104.95
Total Chequing/Savings	282,543.32
Accounts Receivable	
1200 · Accounts Receivable CDN	
1220 · Other Receivables	27,096.85
1200 · Accounts Receivable CDN - Other	606,071.35
Total 1200 · Accounts Receivable CDN	633,168.20
1210 · Accounts Receivable US	427,147.57
Total Accounts Receivable	1,060,315.77
Other Current Assets	
1300 · Prepays	
1310 · Prepaid Expenses - Cdn	49,351.66
1320 · Prepaid Expense-US(cnvrted>Cdn)	63,551.55
1325 · Prepaid Mat.-US(cnvrted>Cdn\$)	1,487,826.30
1330 · Prepaid Contract Services	9,800.00
Total 1300 · Prepays	1,610,529.51
1500 · Inventory Assets	
1520 · Inventory	1,759,906.25
1521 · WIP Inventory	1,135,584.84
1522 · Inventory foreign adjustments	965,496.60
1524 · 1524 Indirect OH Allocation	57,425.85
Total 1500 · Inventory Assets	3,918,413.54
1990 · Accrued Revenue	230,015.89
Total Other Current Assets	5,758,958.94
Total Current Assets	7,101,818.03
Fixed Assets	
1700 · Fixed Assets	
1720 · Tools	156,271.07
1725 · Tools Amortization	-87,309.75
1730 · Equipment	354,775.63
1735 · Equipment Amortization	-241,914.52
1740 · Computer Equipment	62,481.22
1745 · Comp Equip - Amortization	-55,867.68
1750 · Manuals	7,662.50
1755 · Manuals - Amortization	-7,212.42
1770 · Office Furniture/Equipment	24,264.83
1775 · Office Fur/Equip - Amortization	-17,541.67
1780 · Bell Helicopter	51,600.00
1785 · Bell Helicopter Amortization	-32,552.35
1790 · Computer Software	24,413.22
1795 · Computer Software- Amortization	-21,580.48
Total 1700 · Fixed Assets	217,489.60
Total Fixed Assets	217,489.60

8:13 AM

12/07/22

Accrual Basis

CanWest Aerospace Inc.
Balance Sheet
As of December 7, 2022

7

	Dec 7, 22
Other Assets	
1900 · Other Assets	
1920 · Intangible Govt Cert Hoist Kit	354,888.56
1925 · I. G.C.Hoist - Amortization	-157,409.72
1950 · Good Will	100.00
Total 1900 · Other Assets	197,578.84
Total Other Assets	197,578.84
TOTAL ASSETS	7,516,886.47
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	240,275.13
2020 · Accounts Payable US	394,187.37
2021 · 2021 ALLP YE Adj	-14,010.43
Total Accounts Payable	620,452.07
Credit Cards	
2111 · Mastercard Tara0413/Tom7163	9,820.19
2112 · RBC VISA US Dollar Gold	170,401.53
2113 · TD USD Visa 7976(Tara)	42,877.40
2115 · RBC Bus Platinum Tara #9192	26,038.27
2116 · RBC Bus Platinum Tom #5120	40,843.59
Total Credit Cards	289,980.98
Other Current Liabilities	
PST Payable	357.59
2100 · Current Liabilities	
2120 · Accrued Liabilities	17,500.00
2130 · Customer Deposits	87,559.39
2140 · Corporate Taxes Payable	-38,950.00
2150 · Vacation Payable	96,868.69
2160 · Payroll Remittance Payable	41,819.91
2174 · Due to/from CWGA	883,259.29
2176 · Due to/from 0854271 BCLTD.	-21,888.07
2178 · Due to/from CanWest Aero US	-422,513.70
2179 · Due to/from CanWest Aero Inc.	10,000.00
2180 · RBC Credit Line	1,002,000.00
2181 · CEBA*TWSE*CEWS	40,000.00
2190 · BDC Equipment LOC	50,206.74
2191 · BDC Loan - Working Loan	106,080.00
2195 · RBC Line - Bangladesh-cnvrtd	1,714,748.95
2196 · RBC Line - Bangladesh Parts-cvr	445,172.17
2197 · RBC Line - Bangladesh No. 3	231,732.15
2200 · GST Liability Account	-964.77
2220 · GST Accountant Adjustments	-46.08
Total 2100 · Current Liabilities	4,242,584.67
2300 · Payroll Withholdings Payable	16,385.74
Total Other Current Liabilities	4,259,328.00
Total Current Liabilities	5,169,761.05

8:13 AM

12/07/22

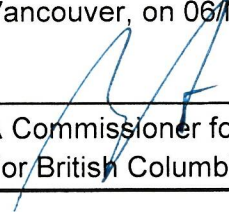
Accrual Basis

CanWest Aerospace Inc.
Balance Sheet
As of December 7, 2022

8

	<u>Dec 7, 22</u>
Long Term Liabilities	
2630 · Shareholder Loan - Tom Jackson	294,287.52
2650 · Notes Payable - Mark McCooley	217,990.17
2655 · Notes Payable - Mark & Don	93,155.53
2660 · Notes Payable - Tara Lundy	601,779.42
2662 · Notes Payable - Tara Lundy US	6,030.00
Total Long Term Liabilities	<u>1,213,242.64</u>
Total Liabilities	6,383,003.69
Equity	
3010 · Shares	
3020 · Common Shares	20.00
3030 · Class C common shares	20.00
Total 3010 · Shares	<u>40.00</u>
3500 · Retained Earnings	1,558,355.00
3520 · Current Earnings	-30.00
Net Income	<u>-424,482.22</u>
Total Equity	<u>1,133,882.78</u>
TOTAL LIABILITIES & EQUITY	<u><u>7,516,886.47</u></u>

This is **Exhibit "C"**, referred to in the Affidavit of Mark Kemp-Gee Affirmed before me at the City of Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

8:14 AM

12/07/22

CanWest Aerospace Inc.
A/R Aging Summary (Values in Home Currency)
As of December 7, 2022

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
0854271 BC	0.00	0.00	0.00	0.00	279,556.27	279,556.27
49 North Maintenance Ltd.	0.00	0.00	0.00	0.00	-513.91	-513.91
AD Aircraft Support	0.00	0.00	0.00	0.00	-3,375.00	-3,375.00
Aero Club of BC	0.00	0.00	0.00	0.00	-0.01	-0.01
Air Palace Co., Ltd	0.00	0.00	0.00	0.00	-2,484.80	-2,484.80
Air Power Financial Group	0.00	0.00	0.00	0.00	0.00	0.00
ALLP YE Adj CDN	0.00	0.00	0.00	0.00	289,616.96	289,616.96
Avanti Aerospace & Engineering	0.00	0.00	0.00	0.00	35.01	35.01
Can West Global Airparts Inc.	0.00	0.00	73.84	0.00	-100.40	-26.56
Canadian Council for Aviation Career Focu	0.00	0.00	0.00	0.00	0.00	0.00
Canadian Fall Protection Instructor	0.00	0.00	0.00	0.00	16,929.02	16,929.02
CanWest Aero Inc.	0.00	0.00	0.00	0.00	32,127.22	32,127.22
CanWest Air Lift Inc.	0.00	0.00	0.00	0.00	13,549.04	13,549.04
Central Copters Inc.	0.00	0.00	0.00	0.00	0.00	0.00
Chinook Aircraft Maintenance Ltd.	1,213.38	0.00	0.00	0.00	0.00	1,213.38
Chinook Aircraft Maintenance Ltd. USD	0.00	0.00	0.00	0.00	-41,636.30	-41,636.30
Custom Helicopters Ltd USD	0.00	0.00	0.00	0.00	6,396.50	6,396.50
CWA Air Services Inc.	0.00	0.00	0.00	0.00	509.63	509.63
Dan Ingram	0.00	0.00	0.00	0.00	-9,000.00	-9,000.00
Denco Aerospace	0.00	0.00	0.00	0.00	-873.93	-873.93
DGDP, Bangladesh	0.00	0.00	0.00	0.00	240,710.69	240,710.69
E.M. Heli-Logistics Ltd.	0.00	327.48	0.00	0.00	0.00	327.48
Ecuador Army	0.00	0.00	0.00	207,862.31	0.00	207,862.31
Far West Helicopters	0.00	0.00	0.00	-10,000.00	0.00	-10,000.00
Global Airparts Inc.	0.00	0.00	0.00	0.00	0.00	0.00
Hammock Helicopter Sdn Bhd	0.00	0.00	0.00	42,551.18	-41,826.20	724.98
Hart's Aviaiton BC	0.00	0.00	0.00	0.00	-10.28	-10.28
Heaps, Shaun	0.00	0.00	0.00	0.00	-0.02	-0.02
Hein, Hericksen	0.00	0.00	0.00	0.00	0.00	0.00
Heli-One (Canada)	0.00	0.00	0.00	0.00	0.00	0.00
Heli-Transport Inc.	0.00	0.00	0.00	0.00	0.00	0.00
Helicopter Parts International Inc.	5,708.46	1,464.24	0.00	0.00	4,089.55	11,262.25
Helinetwork International	0.00	0.00	0.00	0.00	0.00	0.00
Hurricane Aerospace Solutions	0.00	0.00	0.00	0.00	-15,030.00	-15,030.00
Interior Helicopters Ltd.	0.00	-9.73	0.00	0.00	0.00	-9.73
KC Power Hydraulics Corp.	0.00	0.00	0.00	0.00	0.00	0.00
Kodiak Aerospace	0.00	0.00	0.00	0.00	-86.23	-86.23
Krause Airco Inc.	0.00	0.00	0.00	0.00	-52,360.00	-52,360.00
Langereis, Bruce	0.00	0.00	0.00	0.00	0.00	0.00
Lucas Aerospace International	0.00	0.00	0.00	0.00	3,391.75	3,391.75
M3 Technology	0.00	0.00	0.00	0.00	-6,738.39	-6,738.39
Mader Assets LLC	0.00	10,717.39	0.00	0.00	0.00	10,717.39
Matute Island Lodge	0.00	0.00	0.00	0.00	-469.18	-469.18
Mil-Aero Solutions	0.00	0.00	0.00	0.00	1,445.25	1,445.25
Nash Industries (I) Pvt Ltd	0.00	0.00	0.00	0.00	-1,028.35	-1,028.35
Peregrine Helicopters	0.00	0.00	0.00	0.00	0.00	0.00
PilotShop Co., Inc.	0.00	0.00	0.00	0.00	0.00	0.00
Precision GeoSurveys Inc	0.00	0.00	0.00	0.00	44.32	44.32
Precision Heli-Support	4,409.78	0.00	0.00	0.00	0.00	4,409.78
Prime Aero	0.00	0.00	0.00	0.00	-209.92	-209.92
PT. NATIONAL UTILITY HELICOPTERS	0.00	0.00	0.00	0.00	-460.85	-460.85
Quantum Helicopters Ltd.	0.00	0.00	0.01	0.00	0.00	0.01
Receiver General - Receivable	0.00	0.00	0.00	0.00	27,096.85	27,096.85
Receiver General (GST) - Receivable	0.00	0.00	0.00	0.00	34,648.30	34,648.30
Rilpa Enterprises Ltd.	0.00	0.00	0.00	0.00	178.17	178.17
River's Edge Avionics	0.00	0.00	0.00	0.00	0.00	0.00
River's Edge Avionics US	0.00	0.00	0.00	0.00	0.00	0.00
River City Choppers CDN	0.00	0.00	0.00	0.00	-26.28	-26.28
River City Choppers US	0.00	0.00	0.00	0.00	-69.83	-69.83
Rotorcraft Support Inc.	0.00	0.00	7,987.78	0.00	729.91	8,717.69
Simplyfly Solution & Service Ltd	0.00	0.00	0.00	0.00	-6,883.47	-6,883.47
Sky International	0.00	0.00	0.00	0.00	0.00	0.00
Skylock Systems Ltd.	0.00	0.00	31,879.31	0.00	0.00	31,879.31
SunWest Helicopters Ltd. USD	0.00	0.00	0.00	0.00	5,364.78	5,364.78
Swedish Spac	0.00	0.00	0.00	0.00	-300.37	-300.37
Tasman Helicopters Ltd. USD Customer	0.00	0.00	0.00	0.00	-656.78	-656.78

8:14 AM

12/07/22

CanWest Aerospace Inc.
A/R Aging Summary (Values in Home Currency)
 As of December 7, 2022

10

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Transworld Aviation FZE	0.00	0.00	0.00	0.00	-3,594.42	-3,594.42
Various Sales	0.00	0.00	-0.15	-416.66	-468.92	-885.73
Various Sales USD	0.00	0.00	0.00	1,216.74	0.00	1,216.74
Vertical Air	0.00	0.00	0.00	0.00	2,796.68	2,796.68
VIH Aerospace USD	0.00	1,288.98	0.00	0.00	633.25	1,922.23
Vortex Helicopters USD	0.00	0.00	0.00	0.00	3,591.01	3,591.01
Western Explosives Inc.	0.00	0.00	0.00	0.00	-17,781.88	-17,781.88
XL Aero Inc. Customer	0.00	0.00	0.00	-5,000.00	-5,000.00	-10,000.00
Year End Adjust CAD	0.00	0.00	0.00	0.00	-17,012.62	-17,012.62
Yearend Adjustments US\$	0.00	0.00	0.00	0.00	-105.07	-105.07
TOTAL	11,331.62	13,788.36	39,940.79	236,213.57	735,336.75	1,036,611.09

This is **Exhibit "D"**, referred to in the Affidavit of Mark Kemp-Gee Affirmed before me at the City of Vancouver, on 06/MAR/2023.

A Commissioner for Taking Affidavits
For British Columbia

From: Tara Lundy <taral@canwestaerospace.com>
Sent: Wednesday, December 7, 2022 8:14 AM
To: Kemp-Gee, Mark
Cc: Bakker, Nelly; Tom Jackson
Subject: Report from CanWest Aerospace Inc.
Attachments: Report_from_CanWest_Aerospace_Inc..pdf

[External]/[Externe]

Hi Mark,

The posting is not up to date because I have spent the last 2 months running around picking up parts, manual banking – so completely time and gas consuming.

Please review the attached report. Feel free to contact us if you have any questions.

Thank you.

Sincerely,
CanWest Aerospace Inc.

604 532-0322
www.canwestaerospace.com

This is **Exhibit "E"**, referred to in the Affidavit of Mark Kemp-Gee Affirmed before me at the City of Vancouver, on 06/MAR/2023.

A Commissioner for Taking Affidavits For British Columbia

From: Kemp-Gee, Mark <mark.kemp-gee@rbc.com>
Sent: Wednesday, January 4, 2023 9:34 AM
To: Tara Lundy
Cc: Bakker, Nelly; Tom Jackson
Subject: #protect RE: Report from CanWest Aerospace Inc.
Attachments: @

This message has been archived. [View the original item](#)

Hi Tara,

When you sent the attached interim P&L and balance sheet to us a month ago, you noted that they were not up to date.

Have you been able to get the books up to date for yearend?

Could you please send us the draft December 31, 2022 P&L and balance sheet, along with updated A/R and A/P listings? We would also like to see an updated 2023 forecast if that is available (and/or a short-term cash flow projection), or other documentation/schedules that would show what is expected over the next couple of months and for fiscal 2023. We appreciate the stressful situation you and Tom are dealing with; at the same time, we do need to see something that shows your plans for turning the situation around.

We understood from our discussion with you and Tom on December 5th that the remaining necessary paperwork for the Ecuador project was being finalized that week, which was expected to lead to collecting the USD \$146k receivable. What is the status of that collection?

Thank you.
Mark

Mark Kemp-Gee, CPA, CGA, LIT | Senior Manager - Special Loans and Advisory Services | Royal Bank of Canada | 2nd Floor - 626 6th Avenue, New Westminster, BC V3M 6Z2 | T. 604-665-9804 | F. 604-665-8355 | E-mail: mark.kemp-gee@rbc.com<mailto:mark.kemp-gee@rbc.com>

From: Tara Lundy [mailto:taral@canwestaerospace.com]
Sent: Wednesday, December 7, 2022 8:14 AM
To: Kemp-Gee, Mark <mark.kemp-gee@rbc.com>
Cc: Bakker, Nelly <nelly.bakker@rbc.com>; Tom Jackson <tomj@canwestaerospace.com>
Subject: Report from CanWest Aerospace Inc.

[External]/[Externe] <<https://connect.fg.rbc.com/community/techhub/external-email-indicator>>
Hi Mark,

The posting is not up to date because I have spent the last 2 months running around picking up parts, manual banking – so completely time and gas consuming.

Please review the attached report. Feel free to contact us if you have any questions.

Thank you.

Sincerely,

CanWest Aerospace Inc.

604 532-0322

www.canwestaerospace.com <<http://www.canwestaerospace.com>>

Attachments:

[Report from CanWest Aerospace Inc..pdf](#)

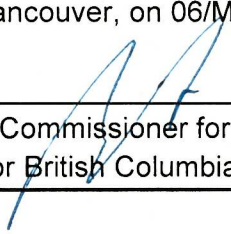
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[Report from CanWest Aerospace Inc..pdf](#)

(49 KB)

15

This is **Exhibit "F"**, referred to in the
Affidavit of Mark Kemp-Gee
Affirmed before me at the City of
Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

From: Tara Lundy <taral@canwestaerospace.com>
Sent: Thursday, January 5, 2023 7:17 AM
To: Kemp-Gee, Mark
Cc: Bakker, Nelly; Tom Jackson
Subject: RE: RBC Secure Email: RE: Report from CanWest Aerospace Inc.

[External]/[Externe]

Hi Mark,

I will work on all this on the weekend. See below

Regards,

Tara Lundy
Chief Financial Officer

CanWest Global Airparts Inc.
Phone: 604-533-5404 | Fax: 604-539-5592

CanWest Aerospace Inc.
#12 - 5225-216th Street
Unit 200, Langley BC V2Y 2N3
Phone: 604-532-0322 | Fax: 604-539-5592
Email: taral@canwestaerospace.com
AMO# 104-06 EASA# 145.7242
www.canwestaerospace.com

Cage Code LOE83

From: Kemp-Gee, Mark <mark.kemp-gee@rbc.com>
Sent: Wednesday, January 4, 2023 9:34 AM
To: Tara Lundy <taral@canwestaerospace.com>
Cc: Bakker, Nelly <nelly.bakker@rbc.com>; Tom Jackson <tomj@canwestaerospace.com>
Subject: RBC Secure Email: RE: Report from CanWest Aerospace Inc.

Hi Tara,

When you sent the attached interim P&L and balance sheet to us a month ago, you noted that they were not up to date.

Have you been able to get the books up to date for yearend? Not yet

Could you please send us the draft December 31, 2022 P&L and balance sheet, along with updated A/R and A/P listings? We would also like to see an updated 2023 forecast if that is available (and/or a short-term cash flow projection), or other documentation/schedules that would show what is expected over the next couple of months and for fiscal 2023. We appreciate the stressful situation you and Tom are dealing with; at the same time, we do need to see

something that shows your plans for turning the situation around. I understand and will work on this weekend. We didn't stop working through Christmas but our staff did and we can only get so much done. I will work with Tom to summarize what is coming and going here on the weekend.

We understood from our discussion with you and Tom on December 5th that the remaining necessary paperwork for the Ecuador project was being finalized that week, which was expected to lead to collecting the USD \$146k receivable. What is the status of that collection? The Insurance Company in Ecuador that Lloyds of London was the underwriter for has gone broke. After months of excuses and delays for not making payment we find this out.....now the Military has to write a letter to Lloyds of London and instruct them to pay us directly. The Ecuadorians are still on holidays ☹ they do not return to work until next week I am told. Tom sent a message yesterday and it still has not been read. They completely stop working over holidays so we are in a holding pattern until they return to work. This is a daily conversation here Mark, I ask Tom everyday if he has heard from them.

Thank you.
Mark

Mark Kemp-Gee, CPA, CGA, LIT | Senior Manager - Special Loans and Advisory Services | Royal Bank of Canada | 2nd Floor - 626 6th Avenue, New Westminster, BC V3M 6Z2 | T. 604-665-9804 | F. 604-665-8355 | E-mail: mark.kemp-gee@rbc.com

From: Tara Lundy [<mailto:taral@canwestaerospace.com>]
Sent: Wednesday, December 7, 2022 8:14 AM
To: Kemp-Gee, Mark <mark.kemp-gee@rbc.com>
Cc: Bakker, Nelly <nelly.bakker@rbc.com>; Tom Jackson <tomj@canwestaerospace.com>
Subject: Report from CanWest Aerospace Inc.

[External]/[Externe]

Hi Mark,

The posting is not up to date because I have spent the last 2 months running around picking up parts, manual banking – so completely time and gas consuming.

Please review the attached report. Feel free to contact us if you have any questions.

Thank you.

Sincerely,
CanWest Aerospace Inc.

604 532-0322
www.canwestaerospace.com

If you received this email in error, please advise the sender (by return email or otherwise) immediately. You have consented to receive the attached electronically at the above-noted email address; please retain a copy of this confirmation for future reference.

Si vous recevez ce courriel par erreur, veuillez en aviser l'expéditeur immédiatement, par retour de courriel ou par un autre moyen. Vous avez accepté de recevoir le(s) document(s) ci-joint(s) par voie électronique à l'adresse courriel indiquée ci-dessus; veuillez conserver une copie de cette confirmation pour les fins de référence future.

This is **Exhibit "G"**, referred to in the Affidavit of Mark Kemp-Gee Affirmed before me at the City of Vancouver, on 06/MAR/2023.

A Commissioner for Taking Affidavits For British Columbia

From: Giesbrecht, Dan <dan.giesbrecht@rbc.com>
Sent: Thursday, September 22, 2022 9:19 AM
To: Tara Lundy (taral@canwestaerospace.com)
Subject: Deposit required

Hi Tara.

Please confirm overdrafts both in CAD and USD will be covered today and outline source of funds.

No tolerance is permitted.

Dan

Dan Giesbrecht | Senior Account Manager Commercial Financial Services | RBC Royal Bank | **Royal Bank of Canada** | #118 – 5455 152 Street, Surrey, BC, V3S 5A5 | T. 604-575-3383 | F. 604-575-1687

Lynn Dorling | Associate Account Manager | Tel: 604:575:1684 | Email: lynn.dorling@rbc.com

For general or transactional inquiries, please contact our dedicated Customer Service Advisors, **Shaleen, Bonnie, Wanda, Sherry, Chrissy or Anna** at **1-877-620-5151** Option 1, ext 2 or via email at serviceteambc2@rbc.com

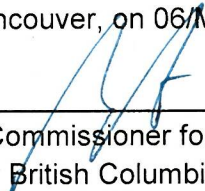
For assistance with RBC Express please call our Help Desk at 1-800-769-2535.

For other product specific service contacts, please [click here](#).

You may receive a call for an outside survey company called Forum Research (local area code + 427-1983) and the survey email will be sent from cansurvey@forumresearch.com.

We appreciate you taking the time to complete the survey, as your feedback is important to us

This is **Exhibit "H"**, referred to in the Affidavit of Mark Kemp-Gee Affirmed before me at the City of Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

From: Giesbrecht, Dan <dan.giesbrecht@rbc.com>
Sent: Tuesday, October 4, 2022 9:10 AM
To: 'Tara Lundy'
Subject: RE: Answers

What about the LC's that Lyna has waiting for your shipping docs to get paid?

Note from Lyna:

Per our discussion today, kindly note we have received another export LC in Canwest's favour. This one is for \$68M while the previous one is for \$290M, which has been pending since August 10.

Both are export LCs where our client will be paid by issuing bank if they are able to ship product and provide compliant shipping documents.

Dan Giesbrecht | Senior Account Manager Commercial Financial Services | RBC Royal Bank | **Royal Bank of Canada** | #118 – 5455 152 Street, Surrey, BC, V3S 5A5 | T. 604-575-3383 | F. 604-575-1687
Lynn Dorling | Associate Account Manager | Tel: 604:575:1684 | Email: lynn.dorling@rbc.com
For general or transactional inquiries, please contact our dedicated Customer Service Advisors, **Shaleen, Bonnie, Wanda, Sherry, Chrissy or Anna** at **1-877-620-5151** Option 1, ext 2 or via email at serviceteambc2@rbc.com

For assistance with RBC Express please call our Help Desk at 1-800-769-2535.
For other product specific service contacts, please [click here](#).

You may receive a call for an outside survey company called Forum Research (local area code + 427-1983) and the survey email will be sent from cansurvey@forumresearch.com.

We appreciate you taking the time to complete the survey, as your feedback is important to us

From: Tara Lundy [mailto:taral@canwestaerospace.com]
Sent: Tuesday, October 4, 2022 8:38 AM
To: Giesbrecht, Dan
Subject: Answers

[External]/[Externe]

Good Morning Dan,

I have been in a holding pattern, waiting for the last 2 weeks, for the Bangladeshi's to answer a question on the configuration of the EM kit in the Bell 212. We have finally received verbal confirmation on our proposal to solve a fit problem and I have been advised we will receive written confirmation on Wednesday. This has taken several zoom meetings and months to get this issue solved. We will now advise the vendor in Austria of the final configuration decision and then they will be able to provide a timeline for delivery. I will have to wait for them to answer, I suspect later on this week, see attached letter sent yesterday.

I cannot make the Bangladeshi's move any faster, they are the cause of the delays. Why do they delay? People change positions constantly there and the new people have to figure out what is going on and/or how to do their job.

We sent Steve to Bangladesh to gather required measurements last month because it was the best way to get the job done. See attached EMS Drawdown #8 for \$13,784.53.

I spent the weekend working on trying to answer your question and it is really difficult for me to assess the multiple work orders and give you a number, "if we spend ABC we will bill out XYZ" Here is what I can tell you:

We worked on and finished billing the Ecuador job AM2802, see attached Billing #9277 for \$147,797.43 USD and Tom assessed the finished job's profitability.

Total Cost of Job: \$ 104,125.09
Invoice Amount: \$ 147,797.43
Net Profit: \$ 43,672.34
Net Profit Margin: 29.55 %
Profit Percentage: 41.94%
Original Quoted Amount: \$ 129,377.00

I have drawn \$56, 522.57 to date on this Job and have 2 outstanding draws not yet funded:

#60 Submitted August 31st - \$5,247.32
#61 Attached - \$21,518.76

This is an insurance job will be paid for by Lloyds of London Insurance Company.

I will continue to work on listing out Bangladesh contracts and what is required to get them finished. At the end of the day we have to finish and deliver these contracts or we fail and will have to pay out the performance guarantees, not an option. All we can do is work towards completion. We work on other customers jobs in between to generate cash flow as well.

I have mentioned before the CRA is holding 38K pending an Audit to be completed, I spoke with the Auditor yesterday and they want more information, so I will provide that this week. The GST division is holding \$32,949.76 in GST Returns because of a Payroll Account discrepancy for which I have provided all the answers (ADP remitted Source under the wrong account number) CRA has every penny of the money but will not transfer until they finish their review. I spoke with that department on Thursday Sept 29th and was informed they have a 180 day service time, yes that is 6 months. I told them that is totally unacceptable and have requested it to be escalated, I'm expecting a phone call this week.

I worked until 10pm last night but I have a head cold and had to get some sleep. I have to do payroll today and once that is finished I will resume my email correspondence with the Trade Commission to resolve all the unpaid contract from Bangladesh.

I know the bank I overdrawn, I need the attached draws to be funded and I can fix it otherwise I have to wait until Lloyds of London pays and I don't know what that time frame is, at this moment but will find out.

Regards,

Tara Lundy
Chief Financial Officer

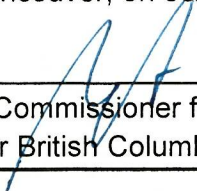
CanWest Global Airparts Inc.
Phone: 604-533-5404 | Fax: 604-539-5592

CanWest Aerospace Inc.
#12 - 5225-216th Street
Unit 200, Langley BC V2Y 2N3

Phone: 604-532-0322 | Fax: 604-539-5592
Email: taral@canwestaerospace.com
AMO# 104-06 EASA# 145.7242
www.canwestaerospace.com

Cage Code L0E83

This is **Exhibit "I"**, referred to in the
Affidavit of Mark Kemp-Gee
Affirmed before me at the City of
Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

From: Kemp-Gee, Mark <mark.kemp-gee@rbc.com>
Sent: Tuesday, December 6, 2022 5:09 PM
To: Tara Lundy (taral@canwestaerospace.com); Tom Jackson
Cc: Bakker, Nelly
Subject: #protect RE: Canwest Aerospace Inc. et al

Importance: High

Hi again, Tara and Tom.

I have left messages for both of you a couple of times today as I was hoping to speak to either or both of you directly, to follow up on yesterday's discussion and to provide you with some news on decisions we have made since last night.

Again, we appreciate and understand the pressures that you are dealing with at the moment. As a first step to helping you alleviate those pressures somewhat, we have removed the deposit-only status of the Canwest Aerospace Inc. CAD and USD accounts so that you can comfortably resume using them, subject to there being funds available in them. Any cheques or debits presented on account may be returned without further notice if funds are not available.

We also confirm that, as EDC has provided a short extension of their guarantees, we ask that you please submit draw requests for approval.

Lastly, we understand how critical it is for you to fund the outstanding Langley rent and insurance payments. Please send me details of the amounts you need in order to get current with those critical payments. We understand that you may now owe two rent payments in the amount of approximately \$8,049 each (for November and December) and one insurance instalment in the amount of approximately \$8,419, but please confirm and also let us know whether there are any other critical payments that you must issue in the next few weeks.

Please feel free to give me a call at the below number if you would like to chat about this.

Regards,
Mark

Mark Kemp-Gee, CPA, CGA, LIT | Senior Manager - Special Loans and Advisory Services | **Royal Bank of Canada** | 2nd Floor - 626 6th Avenue, New Westminster, BC V3M 6Z2 | T. 604-665-9804 | F. 604-665-8355 | E-mail: mark.kemp-gee@rbc.com

From: Kemp-Gee, Mark
Sent: Monday, December 5, 2022 5:52 PM
To: Tara Lundy (taral@canwestaerospace.com) <taral@canwestaerospace.com>; Tom Jackson <tomj@canwestaerospace.com>
Cc: Bakker, Nelly <nelly.bakker@rbc.com>
Subject: Canwest Aerospace Inc. et al

Hi Tara and Tom,

Thank you again for making the time to meet with us this afternoon. I appreciate that you both have many demands on your time.

To help me better understand the current situation, could you please send me the following preliminary information:

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- Most recent available internal financial statements (balance sheet and P&L), ideally as at November 30 but for October 31 if you have not closed off November;
- Up to date detailed A/R and A/P listings;
- Your most recent cash flow projection, either the last one you sent to Dan or a more recent version if you have made more updates;
- Copies of any draw requests you have submitted recently that are still pending;
- Copies of any additional information/emails that you have sent to Dan and that you think I should review (probably easiest for you if you simply forward any relevant emails with attachments, rather than drafting new covering emails);
- Details about the Ukraine-US government contract (re: the 40 aircraft), specifically the expected total revenue and costs and the timeline to completing it, including a copy of the contract (if available).

I expect that I will likely have follow-up questions and/or information requests but the above items are top of mind and will enable me to get to work. Please go ahead and send the information as you are able to put your hands on it, rather than waiting to send everything all at once.


I have tried to tailor the list so that it will not be too time-consuming to prepare the items, but please let me know if preparing any of these items is problematic.

Thank you.

Regards,
Mark

Mark Kemp-Gee, CPA, CGA, LIT | Senior Manager - Special Loans and Advisory Services | **Royal Bank of Canada** | 2nd Floor - 626 6th Avenue, New Westminster, BC V3M 6Z2 | T. 604-665-9804 | F. 604-665-8355 | E-mail: mark.kemp-gee@rbc.com

This is **Exhibit "J"**, referred to in the
Affidavit of Mark Kemp-Gee
Affirmed before me at the City of
Vancouver, on 06/MAR/2023.



A Commissioner for Taking Affidavits
For British Columbia

CLT10I03 DDA - Demand Deposit Account	Card: 38996813	Level: 060	Transit: 07793
Main Menu	Print	Help	Exit

Current Account History Inquiry

2023 / 03 / 06

Account Information

Transit / Account Number: 03280 4004826 Account Short Name: CANWEST AERO 973

Account Type:

Account Classification:

Last Statement Date (YYYY / MM / DD): 2023/02/28 Statement Balance: 4,828.92 O/D Limit:
 Amount: Serial Number:
 From Date (YYYY / MM / DD): 2023/02/01 To Date (YYYY / MM / DD): 2023/02/22

Items 1 - 4

Previous Next

Transaction History

Date	TC	Description	Serial Number	Debits / Cheques	Credits / Deposits	Balance
2023/02/01	151	UNPIPD		83.79		
	151	UNPIPD		225.10		4,388.87
2023/02/06	73	ACTFEE		153.49		4,235.38
2023/02/13	38	DEBIT		160.00		4,075.38

Items 1 - 4

Previous Next

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[Repeat](#)

[Cancel](#)

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CLTDINQ1 DDA - Demand Deposit Account	Card: 38996813	Level: 060	Transit: 07793
Main Menu	Print	Help	Exit

Account Inquiries

2023 / 03 / 06

CLT204I - Transaction Completed

^ - Required Information

Account Inquiry Selection

Transit / Account Number:

Transaction: Inquiry Type: General Inquiry

Results

Current Date (MM / DD / YYYY):	03/06/2023	Transit Number:	03280	Account Number:	4004826
Account Short Name:	CANWEST AERO 973	Assigned Transit Number:	03280	Account Mnemonic:	US
COBC / CBR Type:		Product Expiry Date (YYYY / MM / DD):	N/A		
Original PMI:	RELATIONSHIP MANAGED	Account Balance:	4,828.92		
Current PMI:	RELATIONSHIP MANAGED	Available Balance:	4,828.92		
BCRMS Billed:	YES	Electronic Balance:	4,828.92		
Notifications:	N/A				
Message on File:	DEPOSIT ONLY ACCOUNT				

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CLT10I03 DDA - Demand Deposit Account	Card: 38996813 Level: 060 Transit: 07793
Main Menu	Print Help Exit

Current Account History Inquiry

2023 / 03 / 06

Account Information

Transit / Account Number: 03280 1029651 Account Short Name: CANWEST AERO 973

Account Type:

Account Classification:

Last Statement Date (YYYY / MM / DD):	2023/02/28	Statement Balance:	2,129.07	O/D Limit:	
		Amount:		Serial Number:	
From Date (YYYY / MM / DD):	2023/02/01	To Date (YYYY / MM / DD):	2023/02/22		

Items 1 - 2

Previous Next

Transaction History

Date	TC	Description	Serial Number	Debits / Cheques	Credits / Deposits	Balance
2023/02/01	192	MTHFEE		40.00		2,435.92
2023/02/06	73	ACTFEE		306.85		2,129.07

Items 1 - 2

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CLTDINQ1 DDA - Demand Deposit Account Card: 38996813 Level: 060 Transit: 07793

Main Menu Print | Help | Exit

Account Inquiries

2023 / 03 / 06

CLT204I - Transaction Completed

^ - Required Information

Account Inquiry Selection

Transit / Account Number: 03280 1029651

Transaction: Inquiry Type: 000 General Inquiry

Submit Print Repeat

Results

Current Date (MM / DD / YYYY): 03/06/2023 Transit Number: 03280 Account Number: 1029651
Account Short Name: CANWEST AERO 973 Account Mnemonic: BPA
COBC / CBR Type: Assigned Transit Number: 03280
Date of Last Entry (MM / DD / YYYY): 03/02/2023 Product Expiry Date (YYYY / MM / DD): N/A
Original PMI: RELATIONSHIP MANAGED Account Balance: 2,089.07
Current PMI: RELATIONSHIP MANAGED Available Balance: 2,089.07
BCRMS Billed: NO Electronic Balance: 2,089.07
Notifications: N/A
Message on File: DEPOSIT ONLY ACCOUNT

TOP ▲

Cancel

This is **Exhibit "K"**, referred to in the
Affidavit of Mark Kemp-Gee
Affirmed before me at the City of
Vancouver, on 06/MAR/2023.

A Commissioner for Taking Affidavits
For British Columbia

Close Inquiry

2023 / 03 / 06

i OLB0141 - Reply messages completed

▲ W994 PRIVATE/COMMERCIAL BANKING LOAN

^ - Required Information

Transaction 230 - Close Inquiry

^ Loan Account Number: <input type="text" value="74631060"/> ^ Loan Number: <input type="text" value="001"/> BackDate Code: <input type="checkbox"/> <input type="checkbox"/> Effective date (YYYY / MM / DD): <input type="text" value=""/> / <input type="text" value=""/> / <input type="text" value=""/> ^ Inquiry Purpose: <input type="text" value="Close Inquiry only"/>	Print: <input type="radio"/> Yes <input checked="" type="radio"/> No
---	--

Results

Inquiry Type: CLOSE INQ Inquiry Date: MAR 06/23 Inquiry Time: 09:02:55

Loan Account Number - Segment: 74631060-001

Short Name: CAN WEST COMPO*	Deferred Indicator: N
Loan Officer Number: 478	Fees Owning: 0.00
Loan Description: ROYAL CR LINE	Uncollected Interest: 14,188.94
Status: RI	Net Capitalization: 14,188.94
Inquiry Effective Date: MAR 06/23	Deferred Income: 0.00
Outstanding Loan: 1,084,188.94	Exess Kilometer Charge: N/A
Interest to Date: 3,069.89	Student Interest: 0.00
Insurance to Date: 0.00	Interest Relief Months:
Loan Closing Amount: 1,087,258.83	PSED: N/A
Amort Term Remaining: N/A	
Per Diem Interest: 236.15	
Payment / Maturity Date: N/A	

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