

COURT/ESTATE FILE NUMBER 25-2831494

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDINGS IN THE MATTER OF THE BANKRUPTCY OF RBEE  
AGGREGATE CONSULTING LTD.

APPLICANT FTI CONSULTING CANADA INC., SOLELY IN ITS  
CAPACITY AS LICENSED INSOLVENCY TRUSTEE  
OF THE BANKRUPT ESTATE OF RBEE AGGREGATE  
CONSULTING LTD.

RESPONDENTS A-1 QUALITY BELTING LTD.  
1258311 ALBERTA LIMITED  
BERNIE REED  
JANET FISHER

DOCUMENT FIRST REPORT OF FTI CONSULTING CANADA INC.,  
SOLELY IN ITS CAPACITY AS LICENSED  
INSOLVENCY TRUSTEE OF THE BANKRUPT  
ESTATE OF RBEE AGGREGATE CONSULTING LTD.

**March 21, 2025**

ADDRESS FOR SERVICE AND  
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## **FIRST REPORT OF THE TRUSTEE**

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## INTRODUCTION

1. RBee Aggregate Consulting Ltd. (“**RBee**” or the “**Bankrupt**”) was incorporated in the Province of Alberta on or around September 13, 2017. RBee’s registered office was in Calgary, Alberta.
2. RBee’s primary business was the operation of gravel crushing plants in various pits and construction sites across Alberta and British Columbia. Gravel crushing is a seasonal industry with operations typically running from April to the onset of winter, at which point the operations wind-down and the majority of the operations’ employees are laid off. By the end of the 2021 season, RBee’s operations were shut down for the winter and the majority of employees had been laid off. RBee had not secured contracts for the 2022 construction season.
3. On March 11, 2022 (the “**Appointment Date**”), Crown Capital Partner Funding, LP (“**Crown LP**”), by its manager, Crown Private Credit Partners Inc. (“**Crown**”) sought and obtained a receivership Order (the “**Receivership Order**”) from the Court of King’s Bench of Alberta (the “**Court**”, and the proceedings, the “**Receivership Proceedings**”). The Receivership Order appointed FTI Consulting Canada Inc. (“**FTI**”) as receiver (in such capacity, the “**Receiver**”) of all the assets, undertakings and properties (the “**Property**”) of RBee.
4. On May 18, 2022 (the “**Bankruptcy Date**”), the Court granted an Order declaring RBee bankrupt (the “**Bankruptcy Order**”) and appointing FTI as trustee (in such capacity, the “**Trustee**”). The first meeting of the creditors was held by the Trustee on June 7, 2022, whereby Tim Oldfield, managing director of Crown was appointed as an inspector of the estate (the “**Inspector**”).
5. This is the Trustee’s first report (the “**First Report**”) to the Court. This First Report is prepared with respect to the Trustee’s application originally filed August 17, 2023 (the “**Trustee’s Application**”), seeking an order (the “**Preferential Transactions Order**”) for the following, among other things:

(a) declaring that each of A-1 Quality Belting Ltd. (“**A-1**”), 1258311 Alberta Limited (“**125 AB**”), Bernie Reed (“**Reed**”) and Janet Fisher (“**Fisher**”) (collectively, the “**Related Parties**”), as applicable, received from RBee:

- i. a preference or preferences within the meaning of section 95 of the Bankruptcy and Insolvency Act (Canada) (the “**BIA**”);
- ii. one or more gifts, conveyances, assignments, transfers, deliveries over or payments of goods, chattels or effects or of bills, bonds, notes or securities or of shares, dividends, premiums or bonus in any bank, company or corporation, or of any other property, real or personal, made, within the meaning of the Fraudulent Preferences Act, RSA 2000, c F-24 (the “**FPA**”); and
- iii. one or more fraudulent transfers or fraudulent conveyances within the meaning of the Statute of Elizabeth, 1571 (UK), 13 Eliz 1, c 5 (the “**SOE**”), as applicable

(each a “**Preferential Transaction**” and together, the “**Preferential Transactions**”); and

(b) directing each of A-1, 125 AB, Reed and Fisher, as applicable, to return the value of the Preferential Transactions to the Bankrupt’s estate.

6. The purpose of this First Report is to provide this Honourable Court with information obtained as part of the Trustee’s review and examinations pursuant to sections 95(1)(b) and 163 of the BIA as support for the Trustee’s application for the Preferential Transactions Order.

7. The Trustee’s reports and other publicly available information in respect of these proceedings and the Receivership Proceedings are posted on the Trustee’s website at <http://cfcanada.fticonsulting.com/Rbee>.

## TERMS OF REFERENCE

8. In preparing this First Report, the Trustee has relied upon audited and unaudited financial information, other information available to the Trustee and, where appropriate, the Bankrupt's books and records and discussions with various parties (collectively, the **"Information"**).
9. Except as described in this First Report:
  - (a) the Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accounts of Canada Handbook; and
  - (b) the Trustee has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
10. The Trustee has prepared this First Report in connection with the Trustee's Application, scheduled to be heard on May 7, 2025 (the **"May 7 Application"**). The Trustee and the Respondents have agreed to the following litigation schedule in respect of the Trustee's Application:
  - (a) answers to undertakings (from questioning conducted pursuant to section 163 of the BIA on March 18 and 20, 2024) will be provided to the Trustee's Counsel (defined below) by March 7, 2025, which were provided on March 7, 2025;
  - (b) the First Report will be filed and served by March 21, 2025;
  - (c) the Respondents will provide an affidavit in reply by April 4, 2025;
  - (d) the Trustee's brief and supplemental report, if any, will be filed and served by April 18, 2025; and

(e) the Respondents' brief will be filed and served by April 25, 2025.

This Report should not be relied on for other purposes.

11. Information and advice described in this First Report that has been provided to the Trustee by its legal counsel, Blake, Cassels & Graydon LLP (the "**Trustee's Counsel**") was provided to assist the Trustee in considering its course of action and is not intended as legal or other advice to, and may not be relied upon by, any other person.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## **BACKGROUND**

13. FTI has been involved in the affairs of RBee in the role of Receiver since the Appointment Date. Since the Appointment Date, FTI has prepared five reports to this Honourable Court in its capacity as Receiver, and one preliminary report to creditors in its capacity as Trustee, setting out the steps it has taken to administer the estate of RBee (each a "**Report**", collectively, the "**Reports**"). These Reports provide the background of the Receivership Proceedings and the events that have led up to this application. A copy of the Trustee's preliminary report dated June 7, 2022 is attached as Appendix "**A**".
14. As additional background, attached as Appendix "**B**" is the affidavit of Tim Oldfield sworn April 29, 2022 in support of Crown LP's application for the Bankruptcy Order, without exhibits except for Exhibits "**A**" and "**C**".

15. In accordance with the Inspector’s resolution dated August 17, 2023, the Trustee conducted a review of the historic intercompany transactions, including cash transactions, between the Bankrupt and each of the Related Parties during the 12-month period ending on the Bankruptcy Date (the “**Look Back Period**”). In addition to reviewing the books and records of the Bankrupt, the Trustee instructed its counsel to conduct questioning of Reed and Fisher pursuant to section 163 of the BIA. This questioning took place on March 18 and 20, 2024. Transcripts from the questioning of Reed (the “**Reed Transcripts**”) and Fisher (the “**Fisher Transcripts**”) are attached as Appendix “**C**” and “**D**” respectively. Answers to undertakings provided on March 7, 2025 are attached as Appendix “**E**” (respectively, the “**Reed Undertakings**” and the “**Fisher Undertakings**”).
16. The Trustee has identified certain Preferential Transactions pursuant to section 95(1)(b) of the BIA, the FPA and/or the SOE, between the Bankrupt and the Related Parties that occurred during the Look Back Period. Pursuant to section 95(1)(b) of the BIA, in order to set aside any such Preferential Transaction, the Trustee is required to establish that:
- (a) the applicable Related Party was a creditor of the Bankrupt at the time of the Preferential Transaction(s);
  - (b) the applicable Related Party was not dealing with the Bankrupt at arm’s length;
  - (c) RBee was insolvent at the time of the relevant Preferential Transaction;
  - (d) the relevant Preferential Transaction had the effect of giving the applicable Related Party a preference over another creditor; and
  - (e) the relevant Preferential Transaction occurred during the Look Back Period.
17. The Trustee notes that the requirements of the FPA and SOE are not the same as the requirements under section 95(1)(b) of the BIA. More detail with respect to the legal tests under each statute will be included in the Trustee’s brief when filed.

## **RELATED PARTIES WERE A CREDITOR OF RBEE AT THE TIME OF THE PREFERENTIAL TRANSACTIONS**

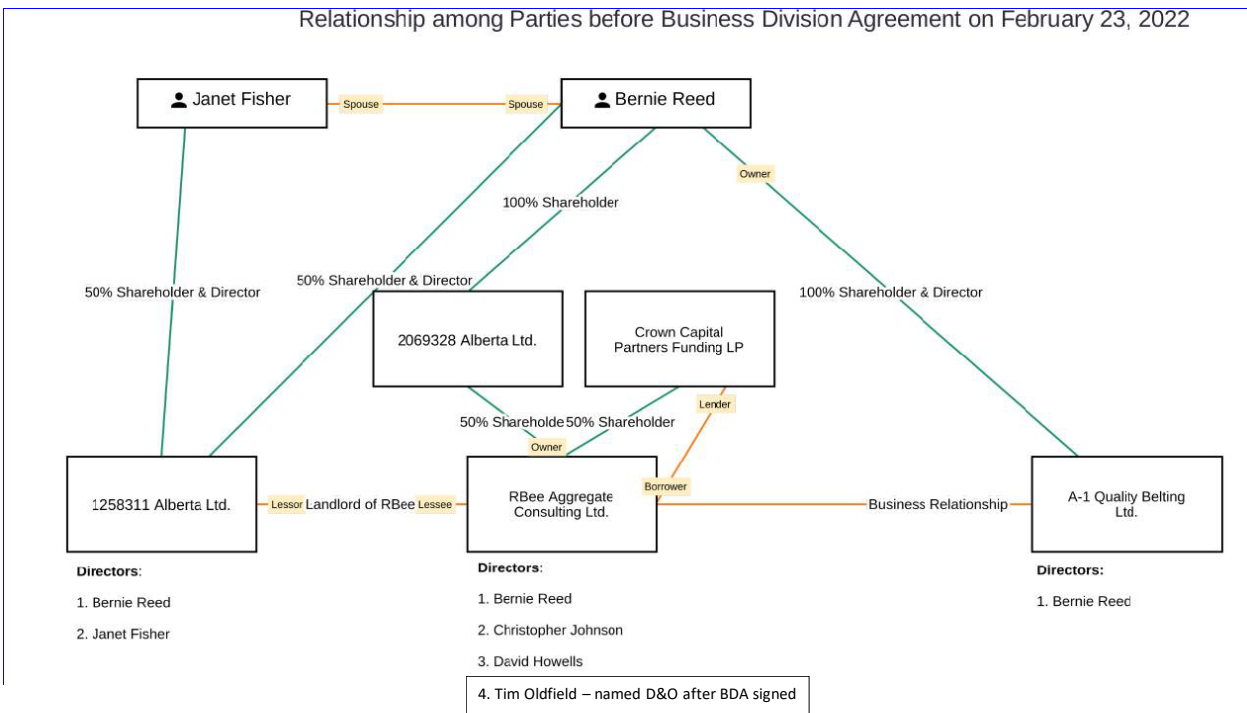
18. Based on a review of the books and records of the Bankrupt, the Trustee notes that all the Related Parties provided services to RBee or had advanced loans to RBee during the Look Back Period. Payment for services rendered or repayment of loans advanced remained outstanding at the time of the relevant Preferential Transactions making each of the Related Parties a creditor at all applicable times. The Trustee notes that RBee's financial statements and related trade payables listings noted each of the Related Parties as creditors during the Look Back Period.
19. RBee's audited April 30, 2021 financial statements (the "**Apr 30 FS**") are attached as Appendix "**F**". Each of the Related Parties are listed under Note 12 to the Apr 30 FS which sets out "Related Party Transaction" for the fiscal years ended April 30, 2020 and April 30, 2021. The Trustee further notes that each of the Related Parties were included in RBee's monthly financial statements as being trade creditors or creditors with outstanding loans, as summarized in further detail below at paragraph 36.

## **RELATED PARTIES NOT DEALING AT ARM'S LENGTH WITH RBEE**

20. Section 4 of the BIA defines who are "related persons" for the purposes of the BIA and that persons who are related to each other are deemed not to deal with each other at arm's length while so related. Section 4(4) of the BIA provides that it is a question of fact whether persons not related to one another were at a particular time dealing with each other at arm's length.
21. To establish that the Related Parties were not dealing with RBee at arm's length, the Trustee has identified the following facts (organizational chart to illustrate these facts is included below):

- (a) *Reed*: At the time of the Preferential Transactions, Reed was the active President and a director of RBee. Additionally, Reed was the sole shareholder and sole director of 2069328 Alberta Ltd. (“**206 AB**”), which held 50% of the shares of RBee at the time of the Preferential Transactions. Reed was also the sole shareholder and sole director of A-1, and a 50% shareholder and one of two directors of 125 AB. Examples of potential Preferential Transactions between RBee and Reed include reimbursement for personal payments for supplies, repairs and maintenance, and other corporate expenses, which are included in the Expense Payments (defined below) and an Intercompany Loan Payment (defined below) discussed further below.
- (b) *A-1*: At the time of the Preferential Transactions, Reed was the sole shareholder and sole director of A-1. As such, A-1 was solely controlled by one of the directors and the 100% shareholder of the entity which is the 50% shareholder of RBee. Examples of potential Preferential Transactions between RBee and A-1 include reimbursement to A-1 for equipment rentals, purchase of supplies, equipment sales and purchases, and other miscellaneous expenses. Preferential Transactions to A-1 include both Equipment Rent Payments and Expense Payments (each defined below), each discussed further below. Additionally, A-1 received an Intercompany Loan Payment (defined below) during the Look Back Period.
- (c) *Fisher*: At the time of the Preferential Transactions, Fisher was the spouse of Reed. Fisher received Rent Payments (defined below) from RBee, as discussed further below.
- (d) *125 AB*: At the time of the Preferential Transactions, Reed and Fisher were each 50% shareholders and were the sole directors of 125 AB. As such 125 AB was controlled by one of the directors and the 100% shareholder of the entity which is the 50% shareholder of RBee and his spouse. Rent Payments (defined below) were made by RBee to 125 AB during the Look Back Period, as further discussed below.

22. For illustrative purposes, an organizational chart of the above-noted relationships between RBee and the Related Parties is provided below:



23. As discussed above, Note 12 of the Apr 30 FS confirms the Trustee’s view of the Related Parties, by classifying each of the above Related Parties as a “Related Party” of RBee and outlining the nature of the “Related Party Transactions”.
24. For reference, the Trustee notes that the above organizational chart reflects a transaction that occurred on February 22, 2022, whereby 206 AB sold its 50% share ownership of RBee to Crown LP pursuant to a business division agreement (the “**BDA**”) the terms of which included the following, among others:
- (a) Sale of approximately \$3.6 million worth of RBee equipment to Reed;
  - (b) David Howells and Reed resigned as directors and officers of RBee;
  - (c) A consulting agreement between RBee, A-1, and Reed was terminated;

- (d) The personnel arrangement between RBee and Howells was terminated; and
  - (e) A new consulting agreement between RBee and Howells was entered into.
25. The Trustee has summarized the BDA noting that approximately \$3.6 million in equipment was sold by RBee to Reed which is relevant when comparing the values realized during the Receivership Proceedings as compared to equipment appraisals obtained in conjunction with the BDA (which included the above noted \$3.6 million in equipment).

#### **PREFERENTIAL TRANSACTIONS DURING THE LOOK BACK PERIOD**

26. The Trustee identified 293 potential Preferential Transactions, totalling approximately \$6.0 million paid by the Bankrupt to the Related Parties during the Look Back Period. The Trustee has reviewed the Preferential Transactions by date, as summarized in the table below. The Trustee notes that transactions that took place during the Receivership Proceedings (i.e. March 11, 2022 to May 18, 2022) were not reviewed. A detailed listing of the Preferential Transactions is attached as Appendix “G” and a summary by Related Party and month is set out below:

Date	Related Parties				Total
	A-1	Reed	125 AB	Fisher	
Feb-22	\$ 257,759	\$ 51,807	\$ 168,000	\$ -	\$ 477,567
Jan-22	621,712	243,782	84,000	-	949,494
Dec-21	520,512	99,013	84,000	7,350	710,875
Nov-21	-	59,632	84,000	7,350	150,982
Oct-21	1,053,537	139,953	84,000	-	1,277,490
Sep-21	540,154	125,394	84,000	-	749,548
Aug-21	157,693	997,658	168,000	7,350	1,330,700
Jul-21	-	86,401	-	-	86,401
Jun-21	-	96,917	168,000	14,700	279,617
<b>Total</b>	<b>\$ 3,151,367</b>	<b>\$ 1,900,557</b>	<b>\$ 924,000</b>	<b>\$ 36,750</b>	<b>\$ 6,012,675</b>

27. The Preferential Transactions fall into four categories of payments, as summarized in the table below, explanation of each category to follow:

		Related Parties									
Preferential Transactions by Category	Notes	A-1		Reed		125 AB		Fisher		Total	
		#	\$	#	\$	#	\$	#	\$	#	\$
Intercompany Loan Payments	(a)	1	\$ 219,719	1	\$ 800,000	-	\$ -	-	\$ -	2	\$1,019,719
Equipment Rent Payments	(b)	2	651,000	-	-	-	-	-	-	2	651,000
Expense Payments	(c)	184	2,280,649	89	1,100,557	-	-	-	-	273	3,381,206
Rent Payments	(d)	-	-	-	-	11	924,000	5	36,750	16	960,750
<b>Total Preferential Payments</b>		<b>187</b>	<b>\$ 3,151,367</b>	<b>90</b>	<b>\$ 1,900,557</b>	<b>11</b>	<b>\$ 924,000</b>	<b>5</b>	<b>\$ 36,750</b>	<b>293</b>	<b>\$6,012,675</b>

(a) Intercompany loan payments (the “**Intercompany Loan Payments**”): Most notable, included in the Intercompany Loan Payments, are the following two significant Preferential Transactions:

- i. On February 18, 2022, a payment in the amount of \$219,719 was made to A-1 as an intercompany loan repayment; and
- ii. On August 18, 2021, a payment in the amount of \$800,000 was made to Reed as a loan repayment. When examined, pursuant to section 163(1) of the BIA, Reed indicated that this was a loan repayment to A-1 and asserted that this amount was deposited into A-1’s account. As part of Reed’s undertakings, a bank statement for A-1 was provided, showing a cheque deposit on August 20, 2021 for \$803,497.

(b) Intercompany payments to A-1 for the use of rented equipment (“**Equipment Rent Payments**”):

- i. Two of the Preferential Transactions identified relate to Equipment Rent Payments made on October 25, 2021, and September 22, 2021 for \$341,250 and \$309,750 (for a total of \$651,000), respectively. Upon review of the books and records of the Bankrupt, the Trustee could not find a rental agreement to support or substantiate the nature of these payments;

- ii. Based on the Reed Undertakings, these payments appear to relate to monthly equipment rentals under a rental agreement between the Bankrupt and A-1. Reed provided a copy of a monthly rental invoice as part of his undertakings, a copy of which is included in Appendix “E”. The Trustee notes that the invoice was dated from May – December 2021 and the monthly rent price is \$325,000 per month; and
  - iii. Although the invoice provided by Reed indicated the rental agreement was over an eight-month period, only two payments appear to be made, neither of which are consistent with the stated monthly rent amount of \$325,000. Further, the Trustee notes that there is no effective date on the rental agreement or dates to indicate when it was signed or agreed to.
- (c) Payments to A-1 to reimburse A-1 for payments purportedly made by A-1 to third parties, on behalf of RBee, with respect to certain invoices issued to RBee for various operational expenses for rentals, belting, liners, repairs and maintenance, and corporate expense reimbursements owing to Reed (collectively, “**Expense Payments**”).
  - (d) Throughout the review of the potential Preferential Transactions, the Trustee noted a clear lack of segregation of operations as between A-1, Reed and the Bankrupt with respect to the accounting and payments made between each entity.
  - (e) Rent payments to Fisher and 125 AB for two of RBee’s operating premises (“**Rent Payments**”). Information relating to these Rent Payments follows:

- i. Fisher was the landlord of the “Wembley” premises rented by RBee. Monthly rent was \$7,350, of which only five payments were made during the Look Back Period. Of the five Rent Payments made to Fisher, two were made on June 2, 2021, and the remaining three payments were made in each of August, November and December 2021. Rent Payments to Fisher were sporadic and inconsistent. Furthermore, when asked by the Trustee to produce a rental agreement or rent invoices for the “Wembley” premises, Fisher provided in her undertakings that no such support could be provided (Fisher Undertakings are included at Appendix “E”); and
- ii. 125 AB was the landlord of the “Gibbons” premises originally rented by an unrelated party whose business RBee acquired, and the lease was assumed by RBee at the time of acquisition. Monthly rent was \$84,000, of which a total of 11 payments were made during the Look Back Period. When RBee assumed the lease, the monthly rent amount was kept consistent with the rate paid by the previous tenants. The Trustee notes that the timing and cadence of the Rent Payments made to 125 AB is unusual, with two payments made on June 2, 2021, two payments made on August 11, 2021, a single payment made in each of September, October, November, December and January, and two payments made on February 22, 2022 (two weeks prior to the Appointment Date, and on the date the BDA was signed, which was the date that Reed resigned as a director and officer of RBee).

28. In summary, based on its examination of the books and records of the Bankrupt, the Trustee is satisfied that the above transactions (as set out in detail and by date in Appendix “G”), all were made and confirmed to occur during the Look Back Period.

#### **RBEE WAS AN “INSOLVENT PERSON” DURING THE LOOK BACK PERIOD**

29. An “insolvent person” pursuant to the BIA is one who has liabilities over \$1,000 and:

- (a) is unable to meet its obligations generally as they become due;

- (b) ceases to pay its current obligations in the ordinary course of business; or
- (c) the aggregate value of whose properties, at fair valuation, are insufficient to pay its obligations.
30. In order to establish RBee was an “insolvent person” during the Look Back Period, the Trustee has below summarized its comments and analysis (a) with respect to its review of the Bankrupt’s financial position as set out in the Apr 30 FS (audited), its unaudited monthly financial statements and its books and records, and (b) based on a review of the estimated value of the Bankrupt’s property as set in its financial statements, compared to appraised values and the recoveries obtained in the Receivership Proceedings.
31. With respect to the Apr 30 FS, the Trustee notes the following:
- (a) RBee was in breach of its financial covenants under its secured credit facility with Canadian Western Bank, triggering all term loans to be classified as current liabilities as at April 30, 2021 (refer to note 5 of the Apr 30 FS, Appendix “F”); and
- (b) As a result, RBee reported a \$12.0 million working capital deficiency in its Apr 30 FS, excerpt to highlight the calculation in the table below:

Apr 30 2021	
Total Current Assets	\$ 9,547,303
Total Current Liabilities	21,539,584
<b>Working Capital (\$)</b>	<b>\$ (11,992,281)</b>

32. Based on the unaudited internal monthly financial statements produced by RBee, for May 2021 through to January 2022<sup>1</sup> the average monthly working capital deficiency of RBee over that period was \$9.1 million, calculation by month provided in the table below:

	Apr 30 FS	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Total Current Assets	\$ 9,547,303	\$ 10,098,776	\$ 12,949,170	\$ 16,619,164	\$ 16,123,057	\$ 17,003,018	\$ 17,902,694	\$ 18,289,607	\$ 14,288,916	\$ 10,530,066
Total Current Liabilities	21,539,584	20,532,176	22,568,439	25,708,227	24,805,735	25,041,872	26,180,597	25,731,428	23,183,845	21,596,801
<b>Working Capital (\$)</b>	<b>\$ (11,992,281)</b>	<b>\$ (10,433,400)</b>	<b>\$ (9,619,270)</b>	<b>\$ (9,089,063)</b>	<b>\$ (8,682,678)</b>	<b>\$ (8,038,854)</b>	<b>\$ (8,277,902)</b>	<b>\$ (7,441,821)</b>	<b>\$ (8,894,930)</b>	<b>\$ (11,066,736)</b>

<sup>1</sup> Monthly statements were not prepared after the Appointment Date, as such January 2022 was the last month available.

33. By definition, current assets are resources that can be readily converted into cash within a year, while current liabilities comprise debts a company must pay within a year. Working capital is the difference between a company's current assets and current liabilities and is a common tool used to measure the liquid resources of a company. As such, a company operating with negative working capital indicates a distressed financial environment, whereby, based on book value, the value of current assets is not sufficient to cover or repay current obligations as they come due.
34. The Trustee notes the following based on its review of the 2021 Audit Findings Report issued to the board of directors of RBee by MNP LLP (the "**2021 Audit Report**") in conjunction with the completion of the Apr 30 FS, which is attached as Appendix "**H**":
- (a) RBee was not in compliance with its statutory requirements for both payroll and GST remittances to Canada Revenue Agency ("**CRA**"). As at April 30, 2021, amounts payable for source deductions and GST remittances were approximately \$2.0 million and \$517,000, respectively. Both amounts were accrued for in the Apr 30 FS; however were not recorded in the internal monthly financial statements until October 2021, as discussed in further detail below; and
  - (b) Based on the books and records of RBee, these outstanding liabilities to CRA related to 2019 and 2020 missed remittances.
35. The Trustee notes the following with respect to RBee's liabilities to the CRA:
- (a) As at the Appointment Date, the books and records of RBee showed \$2.2 million and \$376,000 outstanding for source deductions and GST owing to the CRA, respectively, which had been outstanding since April 2021. On March 28, 2022, the CRA sent a further notice of arrears to the Receiver indicating a \$2.4 million outstanding balance for source deductions. The notice received from the CRA is attached as Appendix "**I**";

- (b) On August 9, 2022, the CRA submitted a proof of claim to the Receiver for approximately \$3.0 million (the “**CRA POC**”), of which, \$1.7 million was a deemed trust property claim (“**Property Claim**”) and \$1.3 million was an unsecured claim. The Property Claim was paid out in full as part of an interim distribution in the Receivership Proceedings. A copy of the CRA POC is attached as Appendix “**J**”; and
- (c) The total liability owing to the CRA increased over the Look Back Period from approximately \$2.6 million as at April 30, 2021 to \$3.0 million as at August 9, 2022, demonstrating RBee’s inability to pay its current obligations as they became due or in the ordinary course of the business, even though the claim to CRA is a priority claim.
36. To illustrate RBee’s inability to pay its obligations as they became due, the Trustee prepared an analysis of RBee’s outstanding trade accounts payable (“**AP**”) during the Look Back Period. The analysis is summarized based on RBee’s unaudited monthly financial statements and payable ledgers.
37. The table below illustrates the total monthly AP balances owing to the Related Parties, the CRA (for source deduction and GST obligations as discussed above), and all other unsecured creditors of RBee (“**Other Vendors**”). The table only reflects trade AP, as such Intercompany Loan Payments are not included in the below analysis:

Vendor	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022
A-1	\$ 1,926,015	\$ 2,588,562	\$ 4,019,343	\$ 4,642,726	\$ 4,987,360	\$ 4,795,244	\$ 5,398,598	\$ 4,697,621	\$ 4,114,764
Reed	265,917	281,492	287,501	229,797	199,586	59,632	99,451	200,429	866
125 AB	168,000	84,000	168,000	84,000	84,000	84,000	84,000	84,000	84,000
Fisher	7,350	-	7,350	-	-	7,350	7,350	-	14,700
CRA	66,664	40,753	325,561	210,473	116,110	2,711,648	2,582,874	2,589,345	2,821,568
Other Vendors	2,348,441	2,745,392	3,103,506	3,225,835	2,863,392	2,725,470	2,339,953	2,024,364	996,223
<b>Total</b>	<b>\$ 4,782,386</b>	<b>\$ 5,740,198</b>	<b>\$ 7,911,261</b>	<b>\$ 8,392,831</b>	<b>\$ 8,250,449</b>	<b>\$ 10,383,344</b>	<b>\$ 10,512,226</b>	<b>\$ 9,595,760</b>	<b>\$ 8,032,120</b>

- (a) Generally, the total AP balance increased over the Look Back Period, from approximately \$4.8 million as at May 31, 2021 to \$8.0 million as at January 31, 2022, peaking at approximately \$10.5 million in November 2021. This highlights RBee’s inability to pay its current obligations as they became due;

- (b) Based on the books and records of RBee, the amount owing to CRA for source deductions and GST was recorded in the audited year-end Apr 30 FS, but was not properly accounted for in RBee's supporting AP ledger or internal monthly financial statements. RBee did not include the CRA liability in its trade AP until receipt of the CRA Letter. As a result, the CRA amounts were not reflected in RBee's monthly financials nor in the above AP chart until October 2021, notwithstanding that these amounts had been due and outstanding since the Apr 30 FS was issued;
  - (c) The amounts owing to CRA remain consistent throughout the remainder of the period, indicating RBee's inability to make payment of these obligations in the ordinary course, even though the CRA deemed trust claim was a priority claim. This is further emphasized by the Receiver having to distribute funds from the estate, which would have otherwise been available to RBee's secured creditors, to satisfy the Property Claim; and
  - (d) The Trustee calculated the AP turnover ratio as at April 30, 2021 (based on the Apr 30 FS) and again as of January 31, 2022, based on the internal financial statements of RBee. The purpose of the AP turnover ratio is to identify the length of time it takes for a company to repay their outstanding AP balances based on monthly costs of goods. RBee's AP turnover ratios as at April 30, 2021 were 6.64 x or 55 days and increased to 2.37 x or 154 days as at January 31, 2022. The reduction in the AP turnover ratio and corresponding increase in the days payable outstanding illustrate the significant deterioration of RBee's ability to repay and manage AP balances over the Look Back Period. Illustratively, the AP turnover was such that trade creditors would receive payment in 55 days from service as at April 30, 2021 which increased to 154 days (or over 5 months) as at January 31, 2022.
38. The Receiver also reviewed the value of RBee's property during the Look Back Period to assess whether the aggregate value of its property, at fair valuation, was sufficient to repay its obligations.

39. The net book value (“**NBV**”) of RBee’s equipment as reported in the Apr 30 FS was \$43.1 million (“**Apr 30 FS NBV**”). The NBV included in the internal monthly reporting for January 31, 2022 was \$43.2 million (“**Jan 31 FS NBV**”), indicating only a nominal change. Based on discussions with Management, and review of the books and records of RBee, there were no significant dispositions or acquisitions to the assets between April 30, 2021 and January 2022.
40. For the reasons that follow, the Trustee is of the view that the Apr 30 FS NBV and the Jan 31 FS NBV materially overstated the value of RBee’s assets.
41. In January 2022, RBee engaged Ritchie Bros. (“**Ritchie**”) to prepare an appraisal of its equipment fleet which the Trustee understands was completed to support the BDA. The adjusted “asset market value” ascribed to the RBee equipment by Ritchie was approximately \$21.6 million (the “**Jan 2022 Ritchies Appraisal**”).
42. In February 2022, pursuant to the BDA, RBee sold approximately \$3.6 million of equipment to Reed which was included in the Jan 2022 Ritchies Appraisal.
43. As part of the Receivership, the Receiver ran a comprehensive solicitation process (the “**Solicitation Process**”) seeking offers for the Property of RBee (which primarily comprised RBee’s equipment), which was approved by the Court. The Solicitation Process commenced on March 14, 2022 with a bid deadline of April 6, 2022. The Solicitation Process was a competitive process and resulted in five purchase offers and six auction proposals. Ultimately, one *en bloc* offer was received for the RBee assets located at three of RBee’s operating sites and an auction services agreement for the remainder of the assets. The combination of these winning bids resulted in a gross recovery to the RBee estate of approximately \$15.4 million with the assets sold by June 2022.
44. The Trustee notes that the above-noted *en bloc* offer was from A-1 which would appear to indicate that Reed was aware of the variance between the Jan 31 FS NBV and the Apr 30 FS NBV and the “asset market value” set out in the Jan 2022 Ritchies Appraisal.

45. A summary of the various valuations of the RBee equipment at different points in time is provided in the table below:

	Date	Equipment Value	Less: Assets sold under BDA	Adjusted Equipment Value	% of Apr 30 FS Adjusted NBV	\$ Change from Apr 30 FS Adjusted NBV
Apr 30 FS NBV	April 30, 2021	\$ 43,102,202	\$(3,629,900)	<b>\$ 39,472,302</b>	100%	-
Jan 31 FS NBV	January 31, 2022	43,137,334	(3,629,900)	<b>39,507,434</b>	100%	<b>35,132</b>
Jan 2022 Ritchies Appraisal	January 2022	21,578,800	(3,629,900)	<b>17,948,900</b>	45%	<b>(21,523,402)</b>
Solicitation Process Gross Proceeds	June 2022	15,354,252	-	<b>15,354,252</b>	39%	<b>(24,118,050)</b>

- (a) There is a significant difference in RBee's NBV of the equipment as set out in the Apr 30 FS (and Jan 31 FS) as compared to the Jan 2022 Ritchies Appraisal and the gross proceeds received from the Solicitation Process;
- (b) The Trustee notes that the actual proceeds received in the Receivership were approximately \$15.4 million, which is only approximately \$2.6 million lower than the Jan 2022 Ritchies Appraisal;
- (c) The Trustee notes that the Solicitation Process conducted by the Receiver occurred approximately one year after the date of the April 30 FS; however, the Trustee's view is that the decline in value is not materially attributable to ongoing depreciation on the equipment (wear and tear) over one years' use nor a liquidation discount. The Trustee notes that the depreciation rate of 'Equipment' set out in Note 2 of the April 30 FS was set at 5% per annum. The Trustee notes that typical differences between fair market value and liquidation value do not approach a 50% reduction.
46. To understand the impact of the difference between NBV and appraised/realized value, the Trustee prepared an illustrative adjusted net asset calculation for the period of April 30, 2021 to January 31, 2022.

47. The table below provides a comparison of net assets as calculated based on RBee’s internal monthly financial statements (top table) and the Trustee’s adjusted net asset calculation (bottom table). The illustrative adjusted net asset calculation prepared by the Trustee is based on the following assumptions:

- (a) Adjusting accounts receivable using the actual realization percentage based on the collection of pre-filing accounts receivables (76%) and holdbacks (24%) during the Receivership Proceedings<sup>2</sup>; and
- (b) The “asset market value” from the Jan 2022 Ritchies Appraisal (as discussed above).

	Apr 30 FS	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
Current Assets	\$ 9,547,303	\$ 10,098,776	\$ 12,949,170	\$ 16,619,164	\$ 16,123,057	\$ 17,003,018	\$ 17,902,694	\$ 18,289,607	\$ 14,288,916	\$ 10,530,066
Capital Assets	43,102,202	43,113,513	43,113,513	43,113,513	43,113,513	43,113,513	43,137,334	43,137,334	43,137,334	43,137,334
Total Assets	52,649,505	53,212,289	56,062,682	59,732,676	59,236,570	60,116,531	61,040,028	61,426,941	57,426,249	53,667,400
Total Liabilities	51,914,436	49,913,065	51,738,880	54,669,646	53,555,456	53,579,258	55,139,842	54,477,055	51,761,577	50,146,418
<b>Net Assets</b>	<b>\$ 735,069</b>	<b>\$ 3,299,224</b>	<b>\$ 4,323,802</b>	<b>\$ 5,063,031</b>	<b>\$ 5,681,114</b>	<b>\$ 6,537,272</b>	<b>\$ 5,900,186</b>	<b>\$ 6,949,885</b>	<b>\$ 5,664,672</b>	<b>\$ 3,520,982</b>
Adj Current Assets	\$ 6,391,613	\$ 8,502,353	\$ 10,710,667	\$ 13,575,950	\$ 13,201,701	\$ 14,371,975	\$ 12,073,724	\$ 13,145,181	\$ 10,003,200	\$ 6,619,503
Adj. Capital Assets	21,578,800	21,578,800	21,578,800	21,578,800	21,578,800	21,578,800	21,578,800	21,578,800	21,578,800	21,578,800
Adj. Total Assets	27,999,896	27,970,816	30,134,882	33,058,809	32,554,909	33,071,157	34,524,786	34,501,109	31,439,832	28,204,763
Total Liabilities	51,914,436	49,913,065	51,738,880	54,669,646	53,555,456	53,579,258	55,139,842	54,477,055	51,761,577	50,146,418
<b>Adjusted Net Assets</b>	<b>\$ (23,914,540)</b>	<b>\$ (21,942,249)</b>	<b>\$ (21,603,999)</b>	<b>\$ (21,610,837)</b>	<b>\$ (21,000,547)</b>	<b>\$ (20,508,101)</b>	<b>\$ (20,615,055)</b>	<b>\$ (19,975,946)</b>	<b>\$ (20,321,745)</b>	<b>\$ (21,941,655)</b>

48. The difference between NBV and the recoverable value of the equipment has a material impact on the net assets. As illustrated in the table above, the Bankrupt’s books and records show positive net assets throughout the period; however, adjusting the assets to reflect the appraised or recovered value of the assets significantly deteriorates the Bankrupt’s net asset position.

49. Accordingly, during the Look Back Period, based on the above calculation, RBee was in a significant negative net adjusted asset position and the aggregate value of its properties, at fair valuation (based on actual amount recovered), was insufficient to pay its obligations.

<sup>2</sup> This calculation assumes that an approximate \$4.4 million receivable that the Receiver has asserted is owing from RMC Construction Materials Ltd. to RBee is collected. RMC Construction Materials Ltd. has appealed a decision rendered in the Receivership Proceedings regarding RBee’s entitlement to payment.

50. The Trustee notes that the recoveries in the Receivership were such that the secured claims of RBee's creditors were not paid in full and there was no recovery available for unsecured creditors, again illustrating that the assets were valued lower than the liabilities.
51. In summary, it is the view of the Trustee that RBee meets the criteria of an "insolvent person" for the entirety of the Look Back Period. The Trustee has been able to establish the following:
- (a) RBee was unable to meet its obligations as they became due. RBee was in breach of its financial covenants in the Apr 30 FS, triggering a significant negative working capital position which continued throughout the entire Look Back Period;
  - (b) RBee ceased to pay its current obligations in the ordinary course of business. This is evident by the significant deterioration in RBee's AP turnover ratio, supported by the growing AP balance. Specifically, the significant amount owing to the CRA for previous periods, which the Bankrupt made no effort to rectify over the Look Back Period even though it was a super-priority claim;
  - (c) RBee's current assets were significantly less than its current liabilities throughout the Look Back Period; and
  - (d) The aggregate value of RBee's assets, at fair valuation, were insufficient to pay its obligations. This is illustrated by the clear overstatement (approximately \$21.5 million) of the NBV of RBee's equipment on the Apr 30 FS. Based on the Trustee's illustrative recovery analysis over the Look Back Period, RBee would have had negative net assets throughout the entire period, proving its inability, at fair valuation, to cover its obligations using its asset values.

## **THE PAYMENTS HAD THE EFFECT OF GIVING THE RELATED PARTIES A PREFERENCE OVER OTHER CREDITORS**

52. In reviewing the Preferential Transactions, the Trustee evaluated the timing of the transactions and the financial state of RBee. It is the Trustee's view that the payments made to the Related Parties throughout the Look Back Period directly preferred the Related Parties over other creditors of RBee who were not paid. Specifically, over \$1.0 million in Intercompany Loan Payments were repaid to A-1 (including amounts paid directly to Reed, which the Trustee understands were applied to the related party loans owing to A-1, while CRA liabilities accumulated in excess of \$3.0 million.
53. Preferential treatment is further evidenced by RBee's decisions to make duplicate Rent Payments to 125 AB and Fisher in certain months, electing to make 'catch-up payments' on amounts owed when other creditors did not receive payment or similar treatment.
54. As noted above, the total recoveries of the Property during the Receivership Proceedings were insufficient to repay amounts owing to the Bankrupt's secured creditors, and no recoveries were available to the Bankrupt's unsecured creditors.

## **CONCLUSIONS**

55. Based on the foregoing, the Trustee believes that the Preferential Transactions were preferences under section 95(1)(b) of the BIA or, in the alternative, that the Preferential Transactions are transfers, etc., within the meaning of the FPA or fraudulent transfers or fraudulent conveyances within the meaning of the SOE.
56. The Trustee respectfully recommends that the Honourable Court grant the Preferential Transactions Order declaring that the Preferential Transactions are void as against the Trustee and order the Related Parties to repay to the Trustee the amounts of the Preferential Transactions in full.

\*\*\*\*\*

All of which is respectfully submitted this 21<sup>st</sup> day of March, 2025.

FTI Consulting Canada Inc.

Solely in its capacity as Licensed Insolvency Trustee in  
Bankruptcy of RBee Aggregate Consulting Ltd., and not  
in its personal or corporate capacity



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Deryck Helkaa, CA, CPA, CIRP, LIT  
Senior Managing Director



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Dustin Olver, CA, CPA, CIRP, LIT  
Senior Managing Director

# APPENDIX “A”

Trustee's Preliminary Report

JUDICIAL CENTRE	CALGARY
COURT FILE NUMBER	25-2831494
ESTATE NUMBER	25-2831494

**IN THE MATTER OF THE BANKRUPTCY OF  
RBEE AGGREGATE CONSULTING LTD.**

**of the City of Calgary  
in the Province of Alberta**

**TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION**

**JUNE 7, 2022**

**BACKGROUND**

1. RBee Aggregate Consulting Ltd. (“**RBee**” or the “**Company**”) was incorporated in the Province of Alberta on or around September 13, 2017. The Company’s registered office was in Calgary, Alberta.
2. RBee’s primary business was the operation of gravel crushing plants in various pits and construction sites across Alberta and British Columbia. Gravel crushing is a seasonal industry with operations typically running from April to the onset of winter, at which point the operations wind-down and the majority of the operations employees are laid off. By the end of the 2021 season RBee’s operations were shut down for the winter and the majority of employees had been laid off. The Company had not secured contracts for the 2022 construction season.
3. On March 11, 2022 (the “**Appointment Date**”) a receivership Order (the “**Receivership Order**”) was sought and obtained from the Court of the Queen’s Bench of Alberta. The Receivership Order appointed FTI Consulting Canada Inc. as the Court appointed receiver (the “**Receiver**”) of the assets, undertakings and properties of RBee.

4. On May 18, 2022, the Court of Queen’s Bench of Alberta granted an order declaring RBee bankrupt and appointing FTI Consulting Canada Inc. as trustee (the “**Trustee**”).

## **PRELIMINARY EVALUATION OF ASSETS AND DETAILS OF SECURITY INTERESTS**

### **Summary of Assets**

5. The Company has a fleet of approximately 376 pieces of heavy equipment which includes aggregate handling equipment, crushing equipment, wheel loaders and other pieces of heavy equipment. The assets and equipment of the Company are spread out over three main gravel pit sites which include the Vogel Pit (Rocky Rapids / Drayton Valley, Alberta) (“**Vogel**”), the Windfall Pit (Whitecourt / Windfall, Alberta) (“**Windfall**”) and Site C (Fort St. John, British Columbia) (“**Site C**”) and various other third-party or leased locations.
6. The Company is also in possession of 45 pieces of equipment that are subject to ownership claims by A-1 Quality Belting Ltd.(“**A-1**”) and was in the possession of 69 units that were included in a Business Division Agreement between Rbee and A-1 and have recently been released to A-1.
7. The Company’s other assets include reported accounts receivable and holdback accounts receivable of approximately \$10.5 million, the majority of which are aged greater than 90 days.

## **Security Interests**

8. RBee owes approximately \$8.7 million plus accrued interest and legal costs to its senior secured first lien lender, Canadian Western Bank (“**CWB**”), and approximately \$22.7 million plus accrued interest and legal costs to its senior secured second lien lender, Crown Capital Partner Funding, LP (“**Crown Capital**” and together with CWB, the “**Secured Lenders**”). The Company also owes approximately \$3.0 million to Komatsu International (Canada) Inc. (“**Komatsu**”) in respect of equipment financing facilities. The combined secured debt of the Secured Lenders and Komatsu is approximately \$34.4 million (the “**Secured Debt**”).
9. The Company has reported unremitted employee source deductions and outstanding GST Remittance due to Canada Revenue Agency (“**CRA**”) of approximately \$1.7 million and \$543,000, respectively, which may represent deemed trust claims against the Company in priority to the Secured Lenders.

## **BOOKS AND RECORDS**

10. The Receiver has backed up the Company’s electronic records on external hard drives and taken possession of the Company’s physical records. The Trustee will have access to the Company’s records as required to complete the administration of the bankruptcy estate.

## **CONSERVATORY AND PROTECTIVE MEASURES**

11. As the Company’s assets are to be realized on as part of the Receivership proceedings, no property has been transferred into the bankruptcy estates, therefore there is no property requiring conservatory or protective measures to be performed by the Trustee.

## **PROVABLE CLAIMS**

12. As at the date of this report, the Trustee has received 18 proofs of claim from unsecured creditors totalling \$156,775.00.
13. As at the date of this report, the Trustee has received 2 lien claims totalling \$18,017.79.
14. As at the date of this report, the Trustee has received 2 secured or trust claims totalling \$31,760,229.30.

## **LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS**

15. The Trustee is currently undertaking a review of the Company's books and records with respect to transfers at undervalue or fraudulent preferences as defined in the *Bankruptcy and Insolvency Act* (Canada).
16. The Trustee has not commenced and legal proceedings and is not aware of any proceedings commenced against the estate.

## **THIRD PARTY GUARANTEES**

17. The Receiver has guaranteed the Trustee with respect to reasonable fees, expenses and claims in respect of its activities as the Trustee of the estate.

## SECURITY REVIEW

18. The receiver's legal counsel completed independent reviews of the security granted by RBee in favour of CWB and Crown in British Columbia and Alberta. The legal opinions confirmed the validity and enforceability of the security held by CWB and Crown in each jurisdiction, subject to standard qualifications. The legal opinions will tabled at the first meeting of creditors.

## ANTICIPATED ASSET REALIZATIONS AND PROJECTED DISTRIBUTIONS

19. The Receivership proceedings have not yet been completed. However, all of the Company's assets will be realized on as part of the Receivership. On May 6, 2022, an approval and vesting order (the "**Auction Approval & Vesting Order**") was granted by this Honourable Court, approving, among other things, the following:
  - a) the offer dated May 3, 2022 between RBee, by and through the Receiver, and A-1 (the "**A-1 Offer**"). The A-1 Offer is an en bloc offer from A-1 to purchase all of the assets at Site C, Windfall and Vogel (the "**A-1 Offer Assets**"); and
  - b) the auction services agreement dated April 29, 2022 between RBee, by and through the Receiver, and McDougall Auctioneers Ltd. (the "**Auction Services Agreement**") for the remaining assets not included in the A-1 Offer.
20. The combination of the A-1 Offer and Auction Services Agreement provide for the best overall recoveries to the Estate and realization on all of the assets under the Receivership. At the date of this Report, the A-1 Offer for the Vogel assets has closed, and A-1 has been provided an extension to June 20, 2022 to close on the Site C and Windfall Assets. The auction for the remaining assets under the Auction Services Agreement is scheduled to be July 2022.

21. The First and Second Reports of the Receiver, dated April 29, 2022 and May 3, 2022, respectively, provide additional detail on the solicitation process of the Receiver that led to the pending sales as well as additional details for each of the respective transactions.
22. Based on the above noted sales the Receiver does not expect the recoveries to be sufficient to pay out the Secured Debt. As a result, the Trustee does not expect any assets to be transferred into the bankruptcy estate of RBee.

\*\*\*\*\*

**FTI Consulting Canada Inc.**

Solely in its capacity as Trustee in Bankruptcy of  
RBee Aggregate Consulting Ltd.  
and not in its personal capacity

Per:

A handwritten signature in black ink, appearing to read "Dustin Olver", with a stylized flourish at the end.

Dustin Olver, CA, CPA, CIRP, LIT  
Senior Managing Director

# APPENDIX “B”

Affidavit of Tim Oldfield, sworn April 29, 2022



C5079



COURT FILE NUMBER 2201-02948  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF/APPLICANT CROWN CAPITAL PARTNER FUNDING, LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.  
DEFENDANT/RESPONDENT RBee AGGREGATE CONSULTING LTD.  
DOCUMENT **AFFIDAVIT OF TIM OLDFIELD - BANKRUPTCY APPLICATION**

COM  
May 2, 2022  
Justice Campbell

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
MLT Aikins LLP  
Barristers and Solicitors  
2100 - 222 3rd Avenue SW  
Calgary, Alberta T2P 0B4  
Phone: (403) 693-5420  
Fax: (403) 508-4349  
Attention: Ryan Zahara  
File: 0151020.00013

I hereby certify this to be a true copy of the original Affidavit

Dated this 4 day of May 2022  
  
for Clerk of the Court

**AFFIDAVIT OF TIM OLDFIELD**  
**Sworn on April 29, 2022**

I, Tim Oldfield, of the City of Toronto, in the Province of Ontario, **SWEAR AND SAY THAT:**

1. I am a Managing Director of Crown Private Credit Partners Inc. ("CPCP"), the manager of Crown Capital Partner Funding, LP (formerly, Crown Capital Fund IV, LP) (the, "**Fund**" and together with CPCP, "**Crown Capital**"). CPCP is a specialty finance company which manages certain investment funds, including the Fund. I have been directly involved with the accounts of RBee Aggregate Consulting Ltd. ("**RBee**") and have personal knowledge of the facts and matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.
2. I am authorized to make this Affidavit on behalf of Crown Capital.
3. The background to this matter and a description of the parties can be found in my Affidavit sworn on March 7, 2022 (the "**Receivership Affidavit**") and filed in this Action.

4. The Receivership Affidavit is attached as **Exhibit "A"** hereto and I adopt and rely on the contents of the Receivership Affidavit for the purposes of this application to obtain a bankruptcy order against RBee.
5. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Receivership Affidavit.

#### The Bankruptcy Application

6. RBee defaulted under the terms of the Amended Note. Crown Capital issued the RBee Demand on March 7, 2022.
7. As of March 7, 2022, the amount due and owing by the Bankrupt to Crown Capital under the Amended Note was **\$22,734,432.15** (excluding legal costs and per diem interest).
8. Despite the issuance of the RBee Demand, RBee failed to pay the debt obligations owing to Crown Capital by March 17, 2022, or at all.
9. On March 14, 2022 the Court appointed FTI Consulting Canada Inc. ("**FTI**") as receiver (the "**Receiver**") of RBee. Attached as **Exhibit "B"** is a copy of the Receivership Order of the Honourable Justice A.D. Grosse granted and filed on March 14, 2022.
10. Attached and marked as **Exhibit "C"** is a copy of the Receiver's First Report dated April 29, 2022 (the "**First Report**").
11. I have reviewed the information in the First Report and adopt and rely upon the evidence contained therein for the purposes of this bankruptcy application brought by Crown Capital against RBee.

#### Basis for Application

12. As of the date of this Affidavit, and despite the RBee Demand, RBee has paid no part of its outstanding obligations.

- SWORN before me at the City of Calgary in the Province of Alberta, this 29<sup>th</sup> day of April 2022
- \_\_\_\_\_
- A Commissioner of Oaths in and for the Province of Alberta

2. Old York

000003

COURT FILE NUMBER	2201-02948
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CROWN CAPITAL PARTNER FUNDING, LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.
DEFENDANTS	RBee AGGREGATE CONSULTING LTD.
DOCUMENT	<b>CERTIFICATE OF REMOTE COMMISSIONING</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 Ave SW Calgary, AB T2P 0B4 Attention: Ryan Zahara Phone: 403.693.5420 Fax: 403.508.4349 File: 0151020.00013

**Document commissioned by a Lawyer during a Public Emergency Period**

1. I, **Brian Catalano**, being a lawyer in and for the Province of Alberta, certify that in witnessing and commissioning the within Affidavit of Tim Oldfield executed by the affiant herein, on April 29, 2022.
2. I have complied with the requirements and conditions as outlined in the Notice to the Profession and Public-Remote Commissioning 2020-02 by the Court of Queen's Bench of Alberta on March 25, 2020.
3. I am satisfied that a two-way video conferencing was necessary because it was impossible or unsafe, for medical reasons, for the affiant and the commissioner to be physically present together.
4. I witnessed the signature in a single session during which I was able at all times to *see and hear* the affiant signing the Affidavit by electronic means.

5. I am satisfied that the affiant as named in the Affidavit is who the person purports to be.
6. I received from the deponent the signed affidavit together with the exhibits by electronic means.
7. I have maintained in my files, the signed affidavit with my signature as a commissioner for oaths, and I have requested that the affiant provide to me the affidavit containing the affiant's original signature.

Dated this 29 day of April, 2022

  
(Signature of lawyer)

Brian Catalano  
(Print or type lawyer's name)

This affidavit was sworn using video technology as Tim Oldfield was not physically present before the Commissioner of Oaths but was linked with the Commissioner of Oaths utilizing video technology. The process for remote commissioning of affidavits was thoroughly followed as outlined in the Notice to the Profession and Public – Remote Commissioning 2020-02 by the Court of Queen's Bench on March 25, 2020.

COURT FILE NUMBER 2201-02948

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF/APPLICANT CROWN CAPITAL PARTNER FUNDING, LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.

DEFENDANT/RESPONDENT RBee AGGREGATE CONSULTING LTD.

DOCUMENT **AFFIDAVIT OF TIM OLDFIELD – BANKRUPTCY APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT Aikins LLP  
Barristers and Solicitors  
2100 - 222 3rd Avenue SW  
Calgary, Alberta T2P 0B4  
Phone: (403) 693-5420  
Fax: (403) 508-4349  
Attention: Ryan Zahara  
File: 0151020.00013

**AFFIDAVIT OF TIM OLDFIELD**  
**Sworn on April 29, 2022**

I, Tim Oldfield, of the City of Toronto, in the Province of Ontario, **SWEAR AND SAY THAT:**

1. I am a Managing Director of Crown Private Credit Partners Inc. ("**CPCP**"), the manager of Crown Capital Partner Funding, LP (formerly, Crown Capital Fund IV, LP) (the, "**Fund**" and together with CPCP, "**Crown Capital**"). CPCP is a specialty finance company which manages certain investment funds, including the Fund. I have been directly involved with the accounts of RBee Aggregate Consulting Ltd. ("**RBee**") and have personal knowledge of the facts and matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.
2. I am authorized to make this Affidavit on behalf of Crown Capital.
3. The background to this matter and a description of the parties can be found in my Affidavit sworn on March 7, 2022 (the "**Receivership Affidavit**") and filed in this Action.

4. The Receivership Affidavit is attached as **Exhibit "A"** hereto and I adopt and rely on the contents of the Receivership Affidavit for the purposes of this application to obtain a bankruptcy order against RBee.
5. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Receivership Affidavit.

#### The Bankruptcy Application

6. RBee defaulted under the terms of the Amended Note. Crown Capital issued the RBee Demand on March 7, 2022.
7. As of March 7, 2022, the amount due and owing by the Bankrupt to Crown Capital under the Amended Note was **\$22,734,432.15** (excluding legal costs and per diem interest).
8. Despite the issuance of the RBee Demand, RBee failed to pay the debt obligations owing to Crown Capital by March 17, 2022, or at all.
9. On March 14, 2022 the Court appointed FTI Consulting Canada Inc. ("**FTI**") as receiver (the "**Receiver**") of RBee. Attached as **Exhibit "B"** is a copy of the Receivership Order of the Honourable Justice A.D. Grosse granted and filed on March 14, 2022.
10. Attached and marked as **Exhibit "C"** is a copy of the Receiver's First Report dated April 29, 2022 (the "**First Report**").
11. I have reviewed the information in the First Report and adopt and rely upon the evidence contained therein for the purposes of this bankruptcy application brought by Crown Capital against RBee.

#### Basis for Application

12. As of the date of this Affidavit, and despite the RBee Demand, RBee has paid no part of its outstanding obligations.

13. Based on the facts outlined above, I believe that the debt owing by RBee to Crown Capital amounts to at least \$1,000.00 and that RBee has ceased to meet its liabilities generally as they become due.
14. Crown Capital values its security at \$21,000,000 and expects to suffer a shortfall of at least \$1,000,000.00 on its recovery of the Outstanding Indebtedness from RBee.
15. RBee has a significant number of unsecured creditors who have not been paid and are not likely to receive any payment through the receivership proceedings. Attached hereto and marked as **Exhibit "D"** is a copy of the list of creditors of RBee prepared by the Receiver.
16. I believe that the immediate appointment of a Trustee in Bankruptcy pursuant to section 43 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, is appropriate in the circumstances, and necessary to protect the interests of Crown Capital as an unsecured creditor.
17. FTI Consulting Canada Inc., in the Province of Alberta, is qualified to act as the Trustee of the property of RBee and has consented and agreed to act as such. Attached hereto and marked as **Exhibit "E"** is a copy of the executed Consent to Act.
18. I swear this Affidavit in support of an application for an Order adjudging RBee bankrupt and appointing a Trustee in Bankruptcy of the bankrupt's estate.

SWORN before me at the City of Calgary in the )  
Province of Alberta, this 29<sup>th</sup> day of April 2022 )



A Commissioner of Oaths in and for the Province )  
of Alberta )

\_\_\_\_\_  
Tim Oldfield

**BRIAN C. CATALANO**  
BARRISTER & SOLICITOR

This affidavit was sworn using video technology as Tim Oldfield was not physically present before the Commissioner, but was linked with the Commissioner utilizing video technology.

THIS IS EXHIBIT "A" TO THE  
AFFIDAVIT OF TIM OLDFIELD  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
THIS 29<sup>th</sup> DAY OF APRIL 2022



---

A Commissioner for Oaths in and for the Province of Alberta

**BRIAN C. CATALANO**  
**BARRISTER & SOLICITOR**

COURT FILE NUMBER:	2201-
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	CROWN CAPITAL PARTNER FUNDING, LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.
RESPONDENTS	RBee AGGREGATE CONSULTING LTD.
DOCUMENT:	<b>AFFIDAVIT (Appointment of Receiver)</b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100, 222 - 3 <sup>rd</sup> Ave SW Calgary, AB T2P 0B4 Telephone: 403.693.5420/4347 Fax: 403.508.4349 Attention: Ryan Zahara/Catrina Webster File: 0151020.00013

### **AFFIDAVIT OF TIM OLDFIELD**

**Sworn on March 7, 2022**

I, Tim Oldfield, of the City of Toronto, in the Province of Ontario, **SWEAR AND SAY THAT:**

1. I am a Managing Director of Crown Private Credit Partners Inc. ("**CPCP**"), the manager of Crown Capital Partner Funding, LP (formerly, Crown Capital Fund IV, LP) (the, "**Fund**" and together with CPCP, "**Crown Capital**"). CPCP is a specialty finance company which manages certain investment funds, including the Fund. I have been directly involved with the accounts of RBee Aggregate Consulting Ltd. ("**RBee**") and have personal knowledge of the facts and matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.

2. I am authorized to make this Affidavit on behalf of Crown Capital.

#### **A. OVERVIEW**

3. CPCP is a company incorporated pursuant to the laws of the Province of Alberta.
4. The Fund is a limited partnership formed pursuant to the laws of the Province of Alberta.

5. RBee Aggregate Consulting Ltd. is a company incorporated pursuant to the laws of the Province of Alberta with its registered office in the City of Calgary in the Province of Alberta. RBee provides gravel crushing services in the Province of Alberta and the 100% voting shareholder of RBee is the Fund. Attached hereto and marked as **Exhibit "A"** is a copy of an Alberta Corporate Registry search for RBee.
6. Pursuant to an Assignment and Assumption Agreement dated November 9, 2017 (the "**Assignment Agreement**"), RBee assumed certain indebtedness in the principal amount of \$17,255,000.00 (as adjusted, the "**Assumed Indebtedness**") owing by Petrowest Corporation and its related entities (collectively, the "**Petrowest Entities**") to the Fund, as consideration for the purchase of certain assets out of the receivership of the Petrowest Entities by RBee (the "**Transaction**"). Attached hereto and marked as **Exhibit "B"** is a copy of the Assignment Agreement.
7. RBee's obligation to repay the Assumed Indebtedness was further evidenced by a Promissory Note issued by RBee in favour of the Fund and dated November 9, 2017 (the "**Original Note**"). Attached hereto and marked as **Exhibit "C"** is a copy of the Original Note.
8. The Assumed Indebtedness was subject to further adjustment upon closing of the Transaction and, as a result of the completion of such adjustments, the Original Note was amended and restated in its entirety by an Amended and Restated Promissory Note effective as of November 9, 2017 (the "**Amended Note**") reflecting, *inter alia*, the adjusted Assumed Indebtedness of \$18,807,490.10. Attached hereto and marked as **Exhibit "D"** is a copy of the Amended Note.
9. Crown Capital believes that the liquidation and distribution of the assets of RBee will most efficiently be completed by a receiver. Accordingly, Crown Capital is making this application to appoint a receiver over the assets, property, and undertakings of RBee pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**").

## B. THE CREDIT FACILITY

10. The indebtedness outstanding under the Amended Note, exclusive of legal and professional fees, costs, charges, disbursements, and expenses incurred by Crown Capital prior to or after March 7, 2022, is calculated as follows (collectively, the **"Outstanding Indebtedness"**):

	Amount in CAD\$ as of March 7, 2022
Principal (Assumed Indebtedness)	\$18,807,490.10
Accrued Interest	\$3,926,942.05
<b>TOTAL</b>	<b>\$22,734,432.15</b>
Per Diem	\$5,817.11

11. The Outstanding Indebtedness is repayable by RBee on demand from Crown Capital and is accruing interest at the rate of 12% per annum as set out in the Amended Note.

## C. THE SECURITY

12. As security for all amounts owing by RBee to Crown Capital, on November 9, 2017, RBee granted a General Security Agreement in favour of Crown Capital (the **"GSA"** or the **"Security"**). Attached hereto and marked as **Exhibit "E"** is a copy of the GSA.
13. On November 9, 2017, Crown Capital registered the GSA against RBee at the Alberta Personal Property Registry (**"PPR"**). Attached hereto and marked as **Exhibit "F"** is a copy of the Alberta PPR search report in respect of RBee dated March 3, 2022.

## D. PRIORITY AGREEMENT

14. On November 9, 2017, Canadian Western Bank (**"CWB"**), Crown Capital and RBee entered into a Priority, Postponement, Subordination and Standstill Agreement (the **"Priority Agreement"**). Attached hereto and marked as **Exhibit "G"** is a copy of the Priority Agreement.
15. Pursuant to the Priority Agreement, the parties agreed that, subject to the terms and conditions thereof, the obligations of RBee to Crown Capital under the Amended Note and Security would be postponed and subordinated to RBee's obligations to CWB under RBee's loan agreement and security granted in favour of CWB.

16. Article 5 of the Priority Agreement precludes Crown Capital from appointing a receiver unless CWB provides a written waiver under Section 7.7 consenting to Crown Capital taking steps to appoint a receiver. However, as discussed below, Crown Capital anticipates receiving a waiver from CWB pursuant to Section 7.7 of the Priority Agreement.

#### **E. EVENTS LEADING UP TO RECEIVERSHIP APPLICATION**

17. RBee's primary business is the operation of gravel crushing equipment in various pits across Alberta and British Columbia. RBee is a seasonal business that generally operates from April to the onset of winter. In the winter it lays off most of its seasonal employees.
18. RBee's assets and equipment are spread out over 8 locations with some being located at the gravel pit sites themselves and others being held at third-party locations. Attached hereto and marked as **Exhibit "H"** is a copy of a map showing all of the RBee locations.
19. The three major equipment types owned by RBee are Aggregate Handling Equipment, Crushing Equipment and Wheel Loaders. There is some equipment that RBee leased from other entities, including Komatsu Financing.
20. RBee has full spreads or gravel plants (collectively, the "**Plants**") in three locations: Site C Pit (RMC) located in Fort St. John, British Columbia ("**Site C**"), Windfall Pit located in Whitecourt/Windfall, Alberta ("**Windfall**"), and the Vogel Pit (Taverner) located in Rocky Rapids, Alberta ("**Vogel**"). Equipment located on the Plants are all subject to ongoing contracts or agreements whereby RBee equipment is used to crush and/or wash gravel.
21. Additionally, RBee has other equipment located at its other locations, including leased yards and on the property of third parties.
22. The assets, equipment and Plants of RBee have a net book value of approximately \$43,100,000. Attached hereto and marked as **Exhibit "I"** is a copy of the most recent financial statements for RBee dated April 30, 2021.
23. RBee currently has approximately \$8,200,000 in outstanding accounts receivable (the "**AR**"). Significant portions of the AR is aged greater than 90 days and is highly concentrated in a small number of larger customers.

24. CWB provides operating financing to RBee and CWB has indicated that it is capping the operating line of RBee at \$7,900,000. RBee does not have further access to funds to pay its ongoing operational expenses. Crown Capital is not prepared to provide any additional funding to RBee for its operational expenses outside of a receivership proceeding.

**a. CHANGE IN OWNERSHIP**

25. On February 23, 2022, 2069328 Alberta Ltd. ("**206 Alberta**") sold its 50% interest in RBee to RBee (and that share was subsequently cancelled), which transaction was evidenced by a Business Division Agreement (the "**BDA**") dated February 23, 2022 among Crown Capital, 206 Alberta, RBee, A-1 Quality Belting Ltd. ("**A-1**"), Bernie Reed and David Howells ("**Howells**"). Attached hereto and marked as **Exhibit "J"** is a copy of the BDA.
26. Pursuant to the terms of the BDA, on February 23, 2022, Crown Capital also became the 100% voting shareholder of RBee and 206 Alberta no longer had any ownership interest in Rbee.
27. The BDA also provided for a sale of certain assets by RBee to A-1 that resulted in gross proceeds of approximately \$3,622,900 (plus GST) (the "**BDA Proceeds**"), the resignation of Reed and Howells as directors and officers of RBee, termination of a personnel arrangement with Howells, execution of a consulting agreement with Howells, among other things. The BDA Proceeds were used to reduce RBee's indebtedness to CWB.
28. The BDA contains confidential and commercially sensitive information regarding the price paid by A-1 for certain assets and equipment of RBee, the disclosure of this information would be detrimental and could have a material effect on the marketing of the assets and equipment and any sales process that might be conducted by the proposed Receiver should it be appointed over the assets and equipment of RBee. Accordingly, I believe that it is necessary that the BDA be sealed on the Court record until a sale of all of the equipment and assets of RBee is completed by the proposed Receiver.
29. After completion of the steps outlined in the BDA, RBee has 3 employees and no senior management remaining. Howells continues to provide services through the consulting agreement but is no longer the VP Operations. There remains a couple of staff available

to assist in moving equipment at the main location in Gibbons, Alberta (the "**Head Office**") and maintaining the equipment at that location. However, this staff is not sufficient to centralize and collect all other equipment at the other locations, including dealing with any third parties where equipment is being stored.

**b. UNPAID CRA LIABILITIES**

30. To the best knowledge of Crown Capital, as of March 7, 2022, RBee has estimated outstanding liabilities owing to the Canada Revenue Agency (the "**CRA**") for unpaid source deductions (\$2,247,000) and outstanding GST remittance (\$543,000) in the amount of \$2,790,000.00.
31. Due to improper and inadequate accounting, the amount owing to the CRA is an estimate only. Since assuming 100% ownership of RBee on February 23, 2022 under the BDA, Crown Capital has engaged FTI to further investigate and identify the amounts owing to the CRA.

**c. LEASE OF HEAD OFFICE**

32. RBee operated its business out of the Head Office which is a commercial property located in Sturgeon County, Alberta, which RBee leased from 1258311 Alberta Ltd. ("**125 Alberta**") pursuant to a commercial lease agreement dated November 1, 2017 (the "**Lease Agreement**"). Attached hereto and marked as **Exhibit "K"** is a copy of the corporate search for 125 Alberta.
33. To the best knowledge of Crown Capital, as of March 7, 2022, the Lease Agreement remains current and in good standing. However, Crown Capital has concerns that the landlord could take action to try and terminate the Lease Agreement as 125 Alberta is controlled by the former principle of RBee who also has assets stored at that location.
34. The books and records of RBee are also located at the Head Office.

**F. DEMAND AND NOTICE OF INTENTION TO ENFORCE SECURITY**

35. On March 7, 2022, Crown Capital issued a demand letter and Notice of Intention to enforce its security pursuant to section 244 of the BIA to RBee (the "**RBee Demand**"), which

required payment in full of the Outstanding Indebtedness. Attached hereto and marked as **Exhibit "L"** is a copy of the RBee Demand.

36. Also on March 7, 2022, RBee provided an executed waiver of the 10-day period required pursuant to section 244 of the BIA (the "**RBee Waiver**"). Attached hereto and marked as **Exhibit "M"** is a copy of the RBee Waiver.
37. Following the issuance of the RBee Demand, on March 7, 2022, CWB executed a waiver as required under the Priority Agreement (the "**CWB Waiver**"). Pursuant to the CWB Waiver, CWB consented to Crown Capital's application to appoint a Receiver over the property, assets and undertakings of RBee in accordance with Section 7.7 of the Priority Agreement. Attached hereto and marked as **Exhibit "N"** is a copy of the CWB Waiver.
38. RBee has been and remains unable to pay the entire amount of the Outstanding Indebtedness that is due and owing to Crown Capital. The failure of RBee to pay amounts owed to Crown Capital on demand is an Event of Default pursuant to the terms of the GSA.
39. The GSA provides that, upon an Event of Default by RBee, Crown Capital is entitled to, among other things, apply for the appointment of a receiver.

#### **G. NECESSITY OF THE APPOINTMENT OF A RECEIVER**

40. RBee is unable to meet its obligations generally as they become due, is no longer able to make payments to its creditors, and no longer has any liquidity to fund the ongoing operations of its business. Crown Capital is the fulcrum creditor of RBee and has obtained a waiver from CWB under the Priority Agreement in order to allow it to proceed with this application to realize upon its Security.
41. RBee has equipment located across Alberta and British Columbia at multiple locations. RBee does not have any senior management or the necessary personnel to coordinate the collection and sale of its property and equipment in an efficient and cost effective fashion.

42. In order to obtain the best possible price for the equipment and assets of RBee, it is necessary that a sales process be commenced and completed as soon as possible. RBee does not have the necessary employees or resources to efficiently and effectively complete a liquidation of its assets, property and undertakings. An efficient and timely sales process is also necessary if any of the Plants can be sold as a going concern where they are currently located as operations will need to begin again sometime in April.
43. Crown Capital believes that the appointment of the Receiver will be the most effective and efficient way to realize on the value of the remaining assets of RBee and minimize the costs associated with this process.
44. As a result of the foregoing, I believe that the appointment of a receiver pursuant to section 243 of the BIA over the assets, undertakings, and properties of RBee is just and convenient and necessary to protect the interests of Crown Capital and to preserve and realize on the Security in an orderly fashion.
45. I believe that a Receiver is needed to preserve the collateral that is subject to Crown Capital's Security.
46. The Receiver has consented to act as receiver of RBee. Attached hereto and marked as **Exhibit "O"** is an executed copy of the Consent to Act.
47. I believe it is appropriate in all of the circumstances that the Receiver be appointed over the assets, undertakings and properties of RBee pursuant to section 243 of the BIA.

**000018**

THIS IS EXHIBIT "C" TO THE  
AFFIDAVIT OF TIM OLDFIELD  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
THIS 29<sup>th</sup> DAY OF APRIL 2022



A Commissioner for Oaths in and for the Province of Alberta

**BRIAN C. CATALANO**  
**BARRISTER & SOLICITOR**

COURT FILE NUMBER	2201-02948
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	CROWN CAPITAL PARTNER FUNDING LP, by its manager, CROWN PRIVATE CREDIT PARTNERS INC.
RESPONDENTS	RBEE AGGREGATE CONSULTING LTD.
DOCUMENT	FIRST REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF RBEE AGGREGATE CONSULTING LTD.

**APRIL 29, 2022**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

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**FIRST REPORT OF THE RECEIVER**

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APPENDIX “A” – INVITATION FOR OFFERS

## INTRODUCTION

1. On March 11, 2022 (the “**Appointment Date**”), FTI Consulting Canada Inc. was appointed as receiver and manager (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of RBee Aggregate Consulting Ltd. (the “**RBee**” or the “**Company**”), pursuant to an Order of the Honourable Justice A.D. Grosse (the “**Receivership Order**”).
2. The Receivership Order authorizes the Receiver to, among other things, take possession of the Property, market any or all of the Property and sell, convey, transfer or assign the Property with the approval of this Honourable Court in respect of any transactions in excess of \$50,000.
3. On April 28, 2022 the Receiver filed a Notice of Application seeking an order (the “**Approval and Vesting Order**”):
  - (a) approving an auction services agreement (the “**Auction Services Agreement**”) between the Receiver and McDougall Auctioneers Ltd. (“**McDougall**”) to dispose of the Company’s assets and vesting them in any auction purchaser upon issuance of a bill of sale; and
  - (b) approving the actions, conduct and activities of the Receiver since the Appointment Date.
4. The purpose of this report (the “**First Report**”) is to provide this Honourable Court with information with respect to:
  - (a) the background of the Company and Property;
  - (b) the activities of the Receiver since the Appointment Date;
  - (c) the Receiver’s interim statement of receipts and disbursements for the period from the Appointment Date to April 22, 2022;

- (d) the process undertaken by the Receiver to solicit bids for the Property (the “**Solicitation Process**”);
  - (e) the Auction Services Agreement between the Receiver and McDougall; and
  - (f) the Receiver’s application for the Approval and Vesting Order.
5. The Receivership Order and other publicly available information in respect of these proceedings (the “**Receivership Proceedings**”) is posted on the Receiver’s website at <http://cfcanada.fticonsulting.com/Rbee> (the “**Receiver’s Website**”).

## **TERMS OF REFERENCE**

6. In preparing this First Report, the Receiver has relied upon audited and unaudited financial information, other information available to the Receiver and, where appropriate, the Company’s books and records and discussions with various parties (collectively, the “**Information**”).
7. Except as described in this First Report:
- (a) the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook; and
  - (b) the Receiver has not examined or reviewed financial forecasts and projections referred to in this First Report in a manner that would comply with the procedures described in the Canadian Institute of Chartered Accountants Handbook.
8. Future oriented financial information reported or relied on in preparing this First Report is based on assumptions regarding future events. Actual results may vary from forecasts and such variations may be material.

9. Information and advice described in this First Report that has been provided to the Receiver by its legal counsel, Fasken Martineau DuMoulin LLP (the “**Receiver’s Counsel**”), was provided to assist the Receiver in considering its course of action, is not intended as legal or other advice to, and may not be relied upon by, any other person.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## **BACKGROUND**

### **Business, Assets and Liabilities**

11. RBee’s primary business was the operation of gravel crushing plants in various pits and construction sites across Alberta and British Columbia. Gravel crushing is a seasonal industry with operations typically running from April to the onset of winter, at which point the operations wind-down and RBee lays off most of their operations employees. At the Appointment Date, the Company’s operations were shut down for the winter and the majority of employees had been laid off at the end of the 2021 season. The Company had not secured contracts for the 2022 construction season.
12. The Company has a fleet of approximately 376 pieces of heavy equipment which includes aggregate handling equipment, crushing equipment, wheel loaders and other pieces of heavy equipment. The assets and equipment of the Company are spread out over three main gravel pit sites, the Vogel Pit (Rocky Rapids/Drayton Valley, Alberta) (“**Vogel**”), the Windfall Pit (Whitecourt/Windfall, Alberta) (“**Windfall**”) and Site C (Fort St. John, British Columbia) (“**Site C**”), respectively, and various other third-party or leased locations.

13. At the Appointment Date, the Company was also in possession of 104 pieces of equipment that are subject to ownership claims by A-1 Quality Belting Ltd. (“A-1”) which is a related party owned by one of the former owners of RBee, Mr. Bernie Reed. The Receiver has accepted a property claim with respect to 69 of these units that relate to the Business Division Agreement entered into between A-1 and Crown Capital prior to the Receivership Proceedings and is in discussions with A-1 with respect to entitlement to the remaining 35 units.
14. In addition to the equipment fleet, at the Appointment Date, the Company’s other assets include reported accounts receivable and holdback accounts receivable of approximately \$10.5 million, the majority of which are aged greater than 90 days.
15. RBee owes approximately \$8.7 million plus accrued interest and legal costs to its senior secured first lien lender, Canadian Western Bank (“CWB”), and approximately \$22.7 million plus accrued interest and legal costs to its senior secured second lien lender, Crown Capital Partner Funding, LP (“**Crown Capital**” and together with CWB, the “**Secured Lenders**”). The Company also owes approximately \$3.0 million to Komatsu International (Canada) Inc. in respect of equipment financing facilities.
16. The Receiver has instructed Receiver’s Counsel to conduct an independent review of the validity and enforceability of the security held by CWB and Crown Capital over the Property and will report on the results of this review once complete.
17. The Company has reported unremitted employee source deductions due to Canada Revenue Agency (“CRA”) of approximately \$1.7 million which may represent a deemed trust claim against the Company in priority to the Secured Lenders.
18. As of the Appointment Date the Company reported \$7.7 million owed to unsecured creditors.

## RECEIVER'S ACTIVITIES

### Custody and Control

19. On the Appointment Date, the Receiver held a virtual meeting with two of the Company's management contractors to advise them that the Receivership Order had been granted and that the Receiver was taking possession of the Property in accordance with the terms of the Receivership Order. The Receiver also notified the Company's bank of its appointment and requested that all of the RBee's bank accounts be frozen.
20. On March 14, 2022, the Receiver attended the Company's head office in Gibbons, Alberta, to meet with the contractors and to secure the Company's book and records. The Receiver sent notices to the owners of each location where RBee assets were situated advising them of the Receivership Proceedings and that the equipment should not be removed without consent of the Receiver. A third-party contractor was retained to visit the various job sites and help facilitate the Solicitation Process.

### Statutory Notices

21. On March 18, 2022, the Receiver mailed the notice and statement of receiver in accordance with subsection 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* to the Superintendent of Bankruptcy and to all known creditors of the RBee.
22. The Receiver notified CRA of the Receiver's appointment and established new remittance accounts for the goods and sales tax and employee payroll deduction obligations arising subsequent to the Appointment Date.

## **Website and Receiver Contacts**

23. The Receiver established the Receiver's Website where it will post periodic updates on the progress of the Receivership Proceedings, along with copies of court orders, motion materials and reports filed in connection with these Receivership Proceedings and the Receiver's contact information to facilitate stakeholder inquiries.

## **Employees**

24. As at the Appointment Date the Company had four employees and two management contractors. The Receiver initially retained three employees, two of which were located at the Gibbons home office and were helping with equipment clean-up and maintenance, and one which was located at Site C. The two contractors were retained to assist the Receiver with its administration of the estate. All three of the retained employees were terminated as ongoing work was completed.
25. At the date of this report, the Receiver continues to retain the two management contractors, both of which continue to assist the Receiver with safeguarding assets, coordinating site visits, completing final invoicing/billings, attending to accounting matters, addressing CRA GST and Payroll audits, collecting accounts receivable and otherwise assisting the Receiver with administration of the estate.

## **Insurance**

26. The Receiver contacted the Company's insurance provider to amend the Company's existing insurance policies to reflect the Receiver's interest in the Property, to review the adequacy of the insurance and to confirm the status of the insurance coverage. The Receiver amended the Company's insurance policies to reflect that the Company's operations have effectively ceased at all locations and to remove the assets sold by RBee prior to the Receivership Proceedings.

## **Accounts Receivable and Revenue Contracts**

27. As of the Appointment Date the RBee had approximately \$10,520,000 in outstanding accounts receivable and holdback receivables. On March 15, 2022, the Receiver sent notices to all customers with outstanding balance, notifying them of the Receivership Proceedings and requesting payment of the outstanding amount owed to RBee. Certain of the accounts receivable are disputed by the customers and the Receiver is compiling diligence files to establish the validity and support the collectability of the accounts.
28. The Receiver has obtained and reviewed copies of the current sales contracts in place for Vogel, Windfall and Site C. On March 15, 2022, the Receiver scheduled meetings with key contacts for each of the sites to discuss their respective contracts. The Receiver and the Receiver's Counsel have had on going communications with representatives of the contracts for both Site C and Windfall to discuss, among other things, outstanding accounts receivable and timelines for the removal of RBee equipment from the project sites.

## **Solicitation Process**

29. The Receiver has conducted the Solicitation Process which has resulted in the Receiver entering into the Auction Services Agreement for the sale of all the RBees' equipment assets. Further details with respect to the Solicitation Process and the Auction Services Agreement are presented later in this First Report.

## **SUMMARY STATEMENT OF RECEIPTS AND DISBURSEMENTS**

30. The Receiver's cash receipts and disbursements for the period from the Appointment Date to April 22, 2022 are summarized as follows:

**Schedule of Receipts and Disbursements**  
**As at April 22, 2022**  
**\$ CAD**

**Receipts**

Opening Cash	\$ 184,902
Accounts Receivable / Holdbacks	<u>1,381,855</u>
<b>Total - Receipts</b>	<b>1,566,757</b>

**Disbursements**

Contractors	37,954
Payroll and Employee Related Obligations	31,162
Rent	145,935
Fuel	9,480
Utilities, Communications, Tech	5,895
GST / PST Paid	16,679
Bank Charges	111
Professional Fees	<u>127,040</u>
<b>Total - Disbursements</b>	<b>374,257</b>
<b>Net Cash on Hand</b>	<b><u>\$ 1,192,500</u></b>

- (a) Opening Cash – cash balance in RBees’ bank account at Appointment Date that was transferred to Receiver’s account;
- (b) Accounts Receivable / Holdbacks – amounts collected from customers related to outstanding accounts receivable and holdbacks accrued prior to the Receivership Proceedings;
- (c) Contractors – costs of management, security and other contractors retained by the Receiver;
- (d) Payroll and Employee Related Obligations – costs relating to employee wages, payroll remittances and benefits;
- (e) Rent – comprises rent paid related to all occupied, leased premises from which the Company is operating;

- (f) Fuel – costs incurred relating fuel required to power water pumps at the various asset locations to safeguard the assets;
  - (g) Utilities, Communications, Tech – costs incurred for utilities and services at the leased premises from which the RBee is operating;
  - (h) GST/PST Paid – relates to goods and services tax remittances; and
  - (i) Professional fees – relates to fees paid to the Receiver and the Receiver’s Counsel in respect of the Receivership Proceedings.
31. As at April 22, 2022, the Receiver is holding approximately \$1.2 million of cash on hand in the estate trust account.

## **SOLICITATION PROCESS**

32. The Receiver conducted the Solicitation Process to solicit offers to purchase its right, title and interest in approximately 376 pieces of heavy equipment in 6 locations.
33. Highlights of the Solicitation Process are as follows:
- (a) on March 14, 2022, the Receiver posted an “Invitation for Offers” to the Receiver’s website and sent it via email to approximately 212 potential bidders including strategic investors, financial investors and auction companies. Two industry publications were also notified of the Solicitation Process. A copy of the Invitation for Offers is attached as Appendix “A”;
  - (b) potential purchasers that contacted the Receiver were given access to an electronic data room which included asset listings, asset descriptions and photographs;
  - (c) site visits were coordinated for any parties wishing to physically inspect the assets;

- (d) parties that entered into a non-disclosure agreement with the Receiver were provided with details with respect to certain contracts historically performed by the Company;
  - (e) a deadline for submission of offers was set at April 6, 2022;
  - (f) 5 purchase offers and 6 auction proposals were received by the offer deadline for different parcels of assets; and
  - (g) 4 parties with the most favourable bids were given 48 hours to reconsider their proposals and submit an enhanced bid.
34. The Receiver, in consultation with the Secured Lenders, evaluated the bids with consideration to, among other things:
- (a) the proposed purchase prices and the offer or combination of offers that would result in the highest cumulative proceeds;
  - (b) the net minimum guarantees included in auction proposals;
  - (c) the fee structures included in auction proposals including commissions, buyers premiums, sharing thresholds, and cost deductions;
  - (d) the proposed sales approach in auction proposals including public auction and private sales strategies;
  - (e) the scope of assets being purchased;
  - (f) key dates including closing dates and length of time required at the current sites;
  - (g) closing risk and price risk including any remaining due diligence or other conditionality;

- (h) the extent to which the offer complied with the Solicitation Process; and
  - (i) the overall expected range of recoveries from the proposals.
- 35. Ultimately, the Receiver has selected the proposal for the Auction Services Agreement submitted by McDougall.
- 36. While the Auction Services Agreement encompasses all of the equipment assets of RBee, it provides the Receiver with the ability to remove certain parcels of assets from the Auction Services Agreement if the Receiver elects to complete a separate transaction that will enhance the overall recoveries to the estate.
- 37. Subsequent to entering into the Auction Services Agreement, the Receiver has received an *en bloc* offer for the Windfall, Vogel and Site C that, if successfully concluded, would result in increased sales proceeds and decreased costs as the proposed transaction contemplates that these standalone operations would remain in place. The Receiver expects to be back before the Court to seek approval of an additional offer with the support of affected stakeholders.

## **AUCTION SERVICES AGREEMENT**

- 38. The Receiver is of the view that disclosure of the financial terms of the Auction Services Agreement may be detrimental to the realization process and has therefore prepared a Confidential Supplemental Report to the First Report to disclose the financial terms and provide an unredacted copy of the Auction Services Agreement.
- 39. The Receiver's high-level comments with respect to the Auction Services Agreement are as follows:
  - (a) the Solicitation Process was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer or proposal;

- (b) the net minimum guarantee provided by McDougall provides the highest guaranteed net proceeds to the Receiver with an opportunity for additional recoveries if auction proceeds are at the high end of the range of expected auction proceeds;
  - (c) the cost structure and other key terms of the Auction Services Agreement are commercially reasonable given the nature, locations and condition of the assets and based on the Receiver's experience with auctioneers and liquidators in the context of insolvency or restructuring proceedings;
  - (d) the Auction Services Agreement provides the Receiver with the ability to remove certain assets from the auction if a private transaction can be successfully concluded in respect of those assets that will enhance the overall recoveries of the estate;
  - (e) the Receiver is satisfied that McDougall has the requisite experience and is appropriately qualified to conduct the auction process contemplated by the Auction Services Agreement; and
  - (f) the Auction Services Agreement is supported by CWB and Crown Capital.
40. Overall, the Auction Services Agreement is the best proposal resulting from the Solicitation Process, will result in the monetization of the Property in a timely manner and will protect the downside risk to the Receiver while maintaining the potential for upside realizations. Accordingly, the Receiver is seeking the Approval and Vesting Order to approve the Auction Services Agreement and vest the assets in the auction purchaser(s), free and clear of any encumbrances.

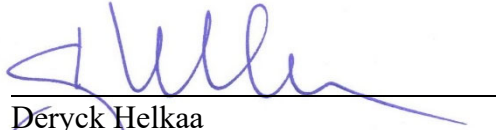
#### **RECEIVER'S RECOMMENDATIONS**

41. Based on the forgoing, the Receiver respectfully recommends that this Honourable Court grant the Approval and Vesting Order.

\*\*\*\*\*

All of which is respectfully submitted this 29<sup>th</sup> day of April, 2022.

FTI Consulting Canada Inc.  
in its capacity as receiver and manager of  
RBee Aggregate Consulting Ltd., and not  
in its personal or corporate capacity

  
Deryck Helkaa  
Senior Managing Director  
Tom Powell  
Senior Managing Director

# APPENDIX “A”

Invitation for Offers

# RBee Aggregate

## Invitation for Offers to Purchase



### Background

On March 11, 2022, the Court of Queen’s Bench of Alberta (the “**Court**”) granted an Order (the “**Receivership Order**”) appointing FTI Consulting Canada Inc. (“**FTI**”) as receiver and manager of all of the current and future assets, undertakings and properties of RBee Aggregate Consulting Ltd. (“**RBee**” or the “**Company**”).

FTI, in its capacity as receiver (the “**Receiver**”) of RBee is seeking offers to purchase the Receiver’s right, title and interest in certain of the Company’s assets which include aggregate processing and handling equipment located throughout Western Canada.

### Assets Available for Sale

RBee’s equipment fleet includes 380 pieces of heavy equipment which are summarized below:

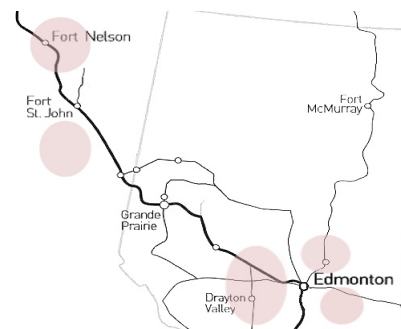
Assets by Location (units)	Parcel	Aggregate		Articulated Dump Trucks	Wheel			Total
		Handling	Crushing		Loaders	Other		
Gibbons, Alberta	Shop / Home Office Yard	9	7	8	4	79		107
Whitecourt, Alberta	Windfall Pit	51	5	6	3	30		95
Fort St. John, British Columbia	Site C Pit	24	5	2	2	19		52
Rocky Rapids & Drayton Valley, Alberta	Vogel Pit	28	3	-	3	18		52
Other (3 locations)	Various	23	2	7	3	39		74
<b>Total</b>		<b>135</b>	<b>22</b>	<b>23</b>	<b>15</b>	<b>185</b>		<b>380</b>

The equipment is divided into five parcels which are further set out in the Receiver’s offer document.

### Strategic Locations

The equipment is strategically located to take advantage of the 2022 construction season and is situated in a manner ready to be deployed on key projects including:

- Site C Dam in Fort St. John, British Columbia
- Windfall Plant 3 in Whitecourt, Alberta
- Vogel Plant in Rocky Rapids, Alberta



## Contract Opportunities

---

Certain of the equipment parcels available for sale have historically been deployed on contracts undertaken by RBee. The Receiver's interest in an applicable contract may be available for purchase and/or assignment in conjunction with an asset purchase. Details of current and/or historic contracts in respect of the equipment may be made available to qualified bidders at the sole discretion of the Receiver and upon execution of a non-disclosure agreement.

## Offer Process

---

Qualified potential purchasers may be granted access to an electronic data room including due diligence materials and the Receiver's prescribed form of offer.

The timeline for the process is as follows:

- March 14 to April 6, 2022 – access to the electronic data room and appointments to inspect the equipment
- **April 6, 2022 – deadline for submitting offers (4 o'clock pm Mountain Standard Time)**
- April 6 to April 20, 2022 – Receiver will negotiate with one or more parties and seek Court approval of preferred offer(s)

Parties may bid on the prescribed parcels of equipment or make an en bloc offer for all of the equipment.

FTI reserves the right to amend or modify the solicitation process at any time at its sole discretion.

## Contact Details

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Inquiries or requests for information should be directed to FTI only and at the contact details below.

**FTI Consulting Canada Inc.**  
**Suite 1610, 520 5th Avenue SW, Calgary, AB T2P 3R7**

**Lindsay Shierman**  
**Managing Director**  
lindsay.shierman@fticonsulting.com  
+1.587.581.0361

**Hailey Liu**  
**Senior Consultant**  
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+1.587.890.6270

# APPENDIX “C”

Reed Transcript (section 163 examination)

Clerk's stamp:

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QUESTIONING OF BERNIE ALLAN REED

EDMONTON, ALBERTA

BY C. KELIHER

HELD MARCH 20, 2024

VIA REMOTE VIDEO

---

COURT FILE NUMBER                      25-2831494

COURT                                      COURT OF KING'S BENCH  
                                                 OF ALBERTA

JUDICIAL CENTRE                      CALGARY

APPLICANT                              FTI CONSULTING CANADA INC.,  
                                                 SOLELY IN ITS CAPACITY AS  
                                                 LICENSED INSOLVENCY TRUSTEE  
                                                 OF THE BANKRUPT ESTATE OF  
                                                 RBEE AGGREGATE CONSULTING  
                                                 LTD.

RESPONDENTS                              A-1 QUALITY BELTING LTD.,  
                                                 1258311 ALBERTA LIMITED,  
                                                 BERNIE REED, JANET FISHER



1 OFFICIAL COURT REPORTER:

2 D. Lopez, CSR(A), RPR

3 Dicta Court Reporting Inc.

4 760, 1015-4 Street SW

5 Calgary, Alberta

6 403-531-0590

7

---

8 (PROCEEDINGS COMMENCED AT 1:03 PM)

9 BERNIE ALLAN REED, Sworn, Examined by C. Keliher

10 Q C. KELIHER: Can you please state your name  
11 for the record.

12 A Can I what?

13 Q Please state your name for the record.

14 A Bernie Allan Reed.

15 Q Mr. Reed, you understand that the oath you swore to the  
16 court reporter is binding on your conscience?

17 A You're talking too fast. My hearing isn't that good.

18 Q So Mr. Reed --

19 A I understand -- try it again.

20 Q You understand that the oath you swore to the court  
21 reporter is binding on your conscience?

22 A Yeah.

23 Q Okay.

24 R. RIMER: You have to say "yes" or "no".

25 A Yes.

26 Q C. KELIHER: Thank you, Mr. Reed. My name  
27 is Christopher Keliher. I will be asking you the

1 questions today. Before we begin, I must ask you some  
2 questions that are required because we're proceeding by  
3 way of a remote questioning.

4 Do you, Bernie Reed, certify, confirm, and  
5 undertake as follows: You have agreed to be questioned  
6 by way of videoconference?

7 A Yes.

8 Q And the evidence that you give in these proceedings may  
9 be used by any party in accordance with the Alberta  
10 Rules of Court and any other applicable laws of  
11 evidence?

12 A Yes.

13 Q You've reviewed the Alberta Protocol for Remote  
14 Questioning which was revised on May 5th, 2020, and you  
15 agree to comply with all parts of that protocol and to  
16 be bound by it?

17 A Yes.

18 Q You will not record or broadcast these proceedings in  
19 any manner, and you understand that if you breach this  
20 promise and undertaking, you may be subject to legal  
21 sanction, including proceedings for civil contempt of  
22 court?

23 A Yes.

24 Q You have a secure and stable internet connection, and  
25 you can hear and see me and the court reporter?

26 A I can hear you.

27 R. RIMER: Just to interject here,

1 Mr. Keliher. I can see you on the very top right-hand  
2 side of our screen, and I'd much be -- rather continue  
3 to look at Ms. MacKinnon than you, but I'm looking at  
4 Ms. MacKinnon on the full screen, and we can barely see  
5 you on our top right-hand corner.

6 C. KELIHER: I -- we can ask our tech  
7 people to come down if that would be helpful.

8 R. RIMER: Actually, we might be okay.  
9 If you look, Mr. Reed, to the top --

10 A Yeah, I see that.

11 R. RIMER: -- right corner, you can see  
12 Mr. Keliher. Yeah.

13 C. KELIHER: Excellent.

14 J. MACKINNON: We can swap our computers if  
15 you'd rather.

16 C. KELIHER: Yeah. That's fine, I think.

17 J. MACKINNON: Okay.

18 Q C. KELIHER: So just -- just going back --  
19 so I -- I believe this is the case. You have a secure  
20 and stable internet connection, and you can hear and  
21 see me and the court reporter? The answer to that is  
22 "yes"?

23 A Yes.

24 Q And you will not mute or turn off your microphone,  
25 camera, or speakers, or move out of view of the camera  
26 during these proceedings unless directed to do so by  
27 me, your lawyer, or by the court reporter?

1 A I don't have control of anything, so that's Russ.

2 R. RIMER: You can say "yes".

3 A Yes.

4 Q C. KELIHER: You will not view during these  
5 proceedings any device, documents, apps, or information  
6 other than those presented to you in the virtual  
7 meeting or available in the online records depository  
8 created for these proceedings?

9 A Yes.

10 R. RIMER: Yeah. Mr. Reed, if you can  
11 turn off your phone.

12 A Well, it's on silent.

13 R. RIMER: Okay.

14 Q C. KELIHER: And have you closed and will  
15 not reopen any other windows on your computer during  
16 these proceedings? I don't -- it doesn't look like you  
17 have a computer.

18 R. RIMER: Mr. Reed does not have a  
19 computer. And, no, I won't turn anything on.

20 Q C. KELIHER: And I suppose this question is  
21 more for you, Russ, given you're the one with the  
22 computer.

23 You've taken steps to disable any pop-up  
24 notifications that you expect would interrupt the  
25 proceedings and will close any that appear?

26 R. RIMER: Yes.

27 Q C. KELIHER: Mr. Reed, except for your

1 lawyer, you will not communicate in any way with any  
2 party outside of the virtual meeting during these  
3 proceedings; correct?

4 A I did not understand that.

5 R. RIMER: He's asking you to confirm  
6 that you're not going to speak or communicate with  
7 anybody while this is going on other than me --

8 A No.

9 R. RIMER: -- and whoever is here.

10 A Yes, that's correct.

11 Q C. KELIHER: Thank you, Mr. Reed.

12 So at any time today if I ask you a question and  
13 you don't hear me or you don't understand, you will let  
14 me know?

15 A Yes.

16 Q And you understand that you're here today to answer  
17 questions with respect to the notice of appointment for  
18 questioning which was issued on January 24th, 2024?

19 A Yes.

20 Q Have you seen or reviewed a copy of that notice?

21 A I had looked at it in the past, yes.

22 Q Okay. And do you understand that the notice was issued  
23 in connection with the bankruptcy of RBee Aggregate  
24 Consulting Limited?

25 A Yes.

26 Q Today if I refer to RBee Aggregate Consulting as  
27 "RBee", you'll know what I mean?

1 A Yes.

2 Q Are you aware that the notice was issued by the trustee  
3 in bankruptcy of RBee?

4 A Yes.

5 Q And are you aware that the notice was issued in  
6 connection with an application filed by the trustee in  
7 August 2023?

8 A No.

9 R. RIMER: Mr. Reed, this is something  
10 that I forwarded to you soon after -- no -- soon after  
11 I received it from Mr. Keliher, who's questioning you  
12 now, when I asked him for documents he sent over which  
13 I forwarded to you. The notice of the application  
14 where the trustee is seeking to set aside certain  
15 payments made to --

16 A Yes. Okay. Yes.

17 Q C. KELIHER: Would it be helpful if we  
18 brought -- or put a copy of that application on the  
19 screen, Mr. Reed?

20 A I can't answer that until I see it, I guess. I  
21 don't --

22 R. RIMER: Yeah. You might as well do  
23 that, Mr. Keliher.

24 A Yes, I remember that.

25 R. RIMER: Can you scroll down,  
26 Mr. Keliher?

27 Q C. KELIHER: You remember this document?

1           R. RIMER:                   This is the application that  
2           the trustee filed back in August saying that they want  
3           to review a bunch of transactions. And then, since  
4           that time, I received this and forwarded it to you, and  
5           after that, I got a list of these transactions that  
6           we've been discussing the last couple (INDISCERNIBLE)  
7           trustees wants to ask in its investigative capacity --  
8           or the trustees investigative capacity.

9    A    I don't remember this in ours.

10          R. RIMER:                   No. You would not have seen  
11          this, nor did I.

12    A    No. I thought that was the question he's --

13          R. RIMER:                   No. So he's asking you if  
14          you've seen this. It was filed --

15    A    I have seen it, yes. I'm sorry.

16          R. RIMER:                   Yeah.

17          C. KELIHER:                 Perfect. We'll mark this  
18          as -- mark it for identification, then, just -- just  
19          for the record. It's Document Number 1.

20                 EXHIBIT A FOR IDENTIFICATION - Application  
21                 for Court/Estate File Number 25-2831494,  
22                 filed August 17, 2023

23    Q    C. KELIHER:                 Mr. Reed, are you aware that  
24          some of the transactions that are -- are being sought  
25          to be overturned by the trustee are between RBee and  
26          you in your personal capacity?

27          R. RIMER:                   I didn't understand that

1 question, Mr. Keliher. Can you repeat that and repeat  
2 it slowly, please.

3 Q C. KELIHER: So, Mr. Reed, you are aware  
4 that some of the transactions seeking to be overturned  
5 by the trustee are between RBee and you in your  
6 personal capacity?

7 R. RIMER: You can say, yes, Bernie.  
8 This is -- if you recall that big list, it's got that  
9 four columns.

10 A Yeah. Okay. Yes.

11 R. RIMER: And there's all the ones with  
12 you --

13 A Yes. Okay.

14 R. RIMER: (INDISCERNIBLE - OVERLAPPING  
15 SPEAKERS)

16 A Yes. I understand that. Yes.

17 THE COURT REPORTER: Sorry, guys. Please speak one  
18 at a time. I can't type everything when everyone's  
19 speaking over each other, especially through Zoom.  
20 Thank you.

21 C. KELIHER: Thank you.

22 Q C. KELIHER: And, Mr. Reed, you're aware  
23 that some of the transactions seeking to be overturned  
24 by the trustee are between RBee and A-1 Quality Belting  
25 Limited?

26 A Yes.

27 Q If I refer to A-1 Quality Belting Limited today as

1 "A-1", will you know what I mean?

2 A Yes.

3 Q Mr. Reed, you're aware that some of the transactions  
4 seeking to be overturned by the trustee are between  
5 RBee and 1258311 Alberta Limited?

6 A Yes.

7 Q And if I refer to 1258311 Alberta Limited today as  
8 "125" or "125 AB" or "125 Alberta", you will know what  
9 I mean?

10 A Yes.

11 Q And, Mr. Reed, you're aware that some of the  
12 transactions seeking to be overturned by the trustee  
13 are between RBee and Ms. Janet Fisher?

14 A Yes.

15 Q You're aware that RBee was placed into receivership on  
16 March 11th, 2022?

17 A Yes.

18 Q And you're aware that RBee was subsequently ordered  
19 into bankruptcy on May 18th, 2022?

20 A Yes. I -- I didn't have anything to do with it, but if  
21 that's what it is, that's what it is.

22 R. RIMER: Mr. Reed's aware that the  
23 receiver assigned RBee into bankruptcy, and I'm  
24 uncertain of the exact date, but, yes, he's aware of  
25 that. May 18th, I think, was the bankruptcy order of  
26 2022.

27 C. KELIHER: Thanks, Russ.

1 Q C. KELIHER: On January 25th, 2024, a  
2 schedule listing the various related-party transactions  
3 was forwarded to your legal counsel, Russ. Have you  
4 reviewed a copy of that related-party transaction  
5 schedule?

6 A Yes.

7 Q And you've reviewed the transactions listed in that  
8 schedule?

9 A Yes.

10 Q Okay. So returning now to the notice of appointment  
11 for questioning which we were referring to earlier.  
12 The notice notes that you were directed to bring  
13 records relating to the assets, liabilities, income,  
14 expenses, and financial position of RBee to this  
15 questioning. Yesterday afternoon your counsel  
16 forwarded me a series of documents relating to those  
17 transactions including with respect to payments made  
18 from RBee to you, A-1, 125, and Ms. Fisher. Have you  
19 reviewed all of those documents?

20 A Yes.

21 Q And you are familiar with them?

22 A Yes.

23 Q And you can speak to the contents of those documents?

24 A Yes.

25 Q Okay. Other than reviewing the notice, the  
26 application, and the schedule listing the various  
27 related-party transactions and the documents we've just

1       referred to and excluding any discussions you've had  
2       with your legal counsel, did you take any other steps  
3       to prepare for your questioning today?

4     A    Yes.

5     Q    Can you please describe those steps for me.

6     A    BDO Dunwoody put together the records because that's  
7       where the records for those companies were.

8       Jeff Johnson of BDO Dunwoody.

9     Q    And what -- what's your relationship with Jeff Johnson?

10    A    He's my accountant -- he's the accountant for my  
11       companies and myself personally.

12    Q    Is he also the accountant for A-1?

13    A    Yes.

14    Q    Was he the accountant for RBee?

15    A    Yes.

16    Q    Is he the accountant for 125?

17    A    Yes.

18    Q    I believe you said he is your accountant personally as  
19       well?

20    A    Yes.

21    Q    So throughout the questioning today, I'm going to  
22       direct you to the related-party transaction schedule  
23       which we were speaking about and potentially other  
24       documents. You -- you would have seen already that my  
25       colleague, Ms. MacKinnon, has shown the relevant  
26       portions of those documents on the screen. If at any  
27       point we are sharing documents or the evidence to you

- 1           and you can't see it, please let us know.
- 2    A    Okay.
- 3    Q    So, Mr. Reed, I want to talk to you about yourself.
- 4           How old are you?
- 5    A    73.
- 6    Q    What is your educational background?
- 7    A    Grade 10.
- 8    Q    What's your work history?
- 9    A    I've worked with Finning Tractors for 13 years, and I'm
- 10          running a business. I've been in business 41 years.
- 11   Q    You've been in business for 41 years?
- 12   A    Yes, I have.
- 13   Q    What type of businesses were you involved with?
- 14   A    Crushing gravel.
- 15   Q    Have you been crushing --
- 16   A    Same business as I am today.
- 17   Q    And it's been consistently crushing gravel for
- 18          41 years?
- 19   A    Yes.
- 20   Q    So in those roles, what -- or in those jobs, what would
- 21          your roles have been with the companies?
- 22   A    Running the field, hiring and overseeing people, doing
- 23          the work.
- 24   Q    So you --
- 25   A    Submitting records to the accountant -- to the
- 26          bookkeepers and the accountants.
- 27   Q    So how long would you have been a manager -- or been

1 managing these companies?

2 R. RIMER: Which companies are you  
3 talking about specifically, Mr. Keliher?

4 C. KELIHER: Any of them. I'm trying to  
5 understand his work history.

6 A I was in business for 25 years by myself. I joined  
7 Petrowest as a partner in income trust. That went into  
8 receivership. And Petrowest then went into  
9 receivership. Crown approached me about going into  
10 business, staying in business, crushing with them, and  
11 then that went sideways, and then I started up crushing  
12 again on my own after that.

13 R. RIMER: And when you talk about  
14 "Crown", Mr. Reed, can you just be more specific on  
15 which Crown that is? What is the name of "Crown" or  
16 the actual name?

17 A Crown Capital Corporation, I believe.

18 R. RIMER: For the record, Crown Capital  
19 is the party that, in my understanding, brought the  
20 application to place RBee into receivership, and Crown  
21 Capital is the party who is the only substantial  
22 security creditor owed in excess of \$20 million. And  
23 also, for the record, Crown Capital or people involved  
24 with Crown Capital are also shareholders, either  
25 directly or indirectly, in RBee prior to it being  
26 placed into receivership.

27 A RBee Aggregate or RBee Crushing?

- 1 R. RIMER: RBee Aggregate.
- 2 A Yes, they were a partner.
- 3 Q C. KELIHER: Following Petrowest, you said
- 4 you started -- I believe you said you started another
- 5 business?
- 6 A No. Well, after Petrowest, Crown Capital came to me
- 7 and asked me if I would joint venture partnership 50-50
- 8 with them to carry on with the crushing business, and
- 9 we ended up buying aggregate, the equipment from the
- 10 receiver into RBee Aggregate, and started -- continued
- 11 running under the new umbrella called RBee Aggregate
- 12 Consulting Limited.
- 13 Q During this period, I understand you also started or
- 14 worked for A-1; is that correct?
- 15 A No. I only work for 25 years.
- 16 Q For 25 years.
- 17 A This is my 24th year, I believe.
- 18 Q Understood.
- 19 And so what was your role with RBee?
- 20 A I answered that question. I was -- I was the manager
- 21 in the field, and I'm general manager. I'm the head of
- 22 the controller and office staff. And we had
- 23 BDO Dunwoody, our accountant.
- 24 Q You were the president of the company?
- 25 A Yes.
- 26 Q And you were a director of the company as well?
- 27 A One of several, yes.

1 Q Okay. So before we get back to RBee and its corporate  
2 structure and affairs, where do you reside, Mr. Reed?

3 A Fort Saskatchewan, Alberta.

4 Q And what is the address?

5 A Fort --

6 R. RIMER: How is that relevant? He  
7 doesn't -- don't answer that. That's irrelevant.

8 (OBJECTION)

9 C. KELIHER: His address is not relevant?

10 R. RIMER: Why is that relevant to the  
11 issues that we're faced with here today? You know  
12 where to find him through me. You don't need to know  
13 his physical or municipal address.

14 Q C. KELIHER: All right. Does anyone reside  
15 at the property with you, Mr. Reed?

16 A My wife.

17 Q Who is your wife?

18 A My -- no. My common-law wife.

19 Q Who is your common-law wife?

20 A Janet Fisher.

21 Q Okay. So, Mr. Reed, earlier we spoke about you being a  
22 director of RBee. How long have you been or were you a  
23 director of RBee?

24 A Since it started. Like, since 2017.

25 Q Okay. And I understand that there were several other  
26 directors. You said that earlier?

27 A Yes.

1 Q Who were those directors?

2 A I believe it's in the records.

3 R. RIMER: Well, just answer it. It's  
4 good to have it on the record.

5 A Oh, okay. Chris Johnson, Tim Oldfield, and myself.

6 Q C. KELIHER: Was there anyone else?

7 A I don't know if David Howells was or not.

8 Q Okay. How often would the directors meet to discuss  
9 the affairs of RBee?

10 A They -- once a year they'd come out and communicate  
11 with us. Other than that, I didn't have any contact  
12 with them. Ian Hogg was my controller, and he was  
13 dealing with Tim Oldfield, and Jeff Johnson was dealing  
14 with Tim Oldfield on the accounting end of things.

15 Q But the directors would only meet once a year?

16 A I don't even know if we averaged once a year.

17 R. RIMER: And, Mr. Keliher, you can tell  
18 me to be quiet if you like, but just to keep it all  
19 clear and in one place for ease of reading at a later  
20 time, we're asking about the directors of RBee  
21 Aggregate, and Mr. Reed just told you that, to his  
22 knowledge, he knew that Tim Oldfield was a director.

23 C. KELIHER: Yes.

24 A Chris Johnson.

25 R. RIMER: Chris Johnson. And, again,  
26 what was Mr. Oldfield's and Mr. Johnson's relationship  
27 other than being directors of RBee Aggregate? Were

1           they part of --

2     A     They were part of Crown Capital.

3           R. RIMER:                       This (INDISCERNIBLE)

4           security -- yes.   Okay.

5           C. KELIHER:                    So, Russ, I -- I do appreciate  
6           the clarification, but, to be clear, this is a  
7           questioning of Mr. Reed.

8           R. RIMER:                       Okay.

9           C. KELIHER:                    Right.   I do appreciate the  
10          commentary on -- you know, the helpful comments, but,  
11          you know, Mr. Reed should be the one answering the  
12          questions.

13     Q     C. KELIHER:                    So going back to it.   I -- I  
14          had asked how often did the directors meet to discuss  
15          the affairs -- the affairs of RBee.   You said possibly  
16          once a year, and I believe you said after that maybe  
17          not even that frequently?

18     A     Well, Ian Hogg communicated with Crown -- I -- I don't  
19          know exactly how often or when.   I stayed away from  
20          being -- that.   I was managing the field and bidding  
21          the work and getting the work and letting them run the  
22          business because of being arm's length.   I wanted it to  
23          be arm's length so I wasn't the guy that was making  
24          decisions on paying stuff and who gets paid and when  
25          they get paid.

26     Q     So what would you have been responsible for, then?

27          Would you have negotiated and executed operating

1           agreements?

2     A     Pardon me?  Sorry.

3     Q     Would you have negotiated or executed operating  
4           agreements?

5     A     Well, we did -- we did work.  We -- we did work.  We  
6           negotiated work.  Yes.  Getting work for the company  
7           and overseeing the work getting done.  That was my job.

8     Q     And you oversaw that process?

9     A     Yes.

10    Q     And negotiating and executing lease agreements?

11    A     Lease agreements ...

12           R. RIMER:                            I think what he's getting at,  
13           Mr. Reed, is the agreement at 125 to these shops  
14           being --

15    A     Oh, that was negotiated prior to starting out the  
16           properties.

17    Q     C. KELIHER:                       Who would have negotiated  
18           that?

19    A     Tim Oldfield, Chris Johnson, and myself.

20    Q     Okay.  Who authorized expenditures from the company?

21           R. RIMER:                           From which company?

22    Q     C. KELIHER:                       RBee.

23    A     David Howells and Ian Hogg.

24    Q     So you had no responsibility for authorizing  
25           expenditures from the company?

26    A     I didn't know.  I didn't do any of that.

27    Q     You didn't oversee it?

1 A Not on a day-to-day basis, no. I -- I can't remember  
2 specifics on it. We may have talked about various  
3 things 'cause a lot of stuff goes on that we did on  
4 day-to-day, week-to-week, month-to-month businesses.  
5 When we did 36, 35, 37 million dollars a year, there's  
6 stuff that gets talked about, and that's how -- that's  
7 how we ran the business.

8 Q Who would talk about it?

9 A Pardon me?

10 Q You said, We would talk about it. Who would talk about  
11 it?

12 A Ian Hogg, myself, David Howells. Some was communicated  
13 between Ian Hogg and Tim Oldfield. I don't know to  
14 what extent because I wasn't privy to -- being involved  
15 in those conversations.

16 Q So you weren't responsible for the day-to-day review of  
17 expenditures. What about week-to-week?  
18 Month-to-month? Was there any formal meetings to  
19 discuss the finances of the company?

20 A No.

21 Q Sorry. I'm not sure --

22 A No formal meetings, no.

23 Q So would you -- how often would you review the  
24 financial affairs or the financial statements of the  
25 company?

26 A I left that up to Ian Hogg, Tim Oldfield, and  
27 Jeff Johnson.

- 1 Q Would you review audit --
- 2 A Because they -- they were communicating at that level  
3 regarding that stuff. Like, the finances of it.
- 4 Q Would you have reviewed audit reports or audit  
5 recommendations?
- 6 A No.
- 7 Q Would you have overseen tax reporting?
- 8 A No.
- 9 Q Tax filing obligations?
- 10 A No. That was Mr. Hogg and Mr. Johnson.
- 11 Q Who was responsible for making the day-to-day purchases  
12 for the company?
- 13 A I guess myself and David Howells because we were  
14 running the -- David was the general manager, and I was  
15 in the field, and we would communicate about what we  
16 needed to do. Are you referring to repairs and  
17 maintenance and so on?
- 18 Q Any day-to-day purchases.
- 19 A Ian would have been involved in that because he was the  
20 controller, so he would have been involved in that as  
21 much or more than any of us.
- 22 Q Who was responsible for reviewing or overseeing Ian's  
23 work?
- 24 A I don't -- I guess it would be -- I'm trying to think  
25 how I would answer that because that was above my pay  
26 level to understand that. That's why I hired people  
27 'cause I don't understand that. So I turned that over

1           to somebody that I hired as in Jeff Johnson or Ian Hogg  
2           or ...

3    Q    So as president of the company, you had no oversight  
4           role into the finances of RBee?

5    A    I wouldn't say "no", but I didn't do it on a day-to-day  
6           basis. I didn't really have an inclination. We were  
7           making our payments at the bank, so we thought -- we  
8           felt that it was tight-going, but we could make it  
9           work, and we would have made it -- we were making it  
10          work.

11   Q    So, Mr. Reed, you've said a couple times now you  
12          weren't responsible for the day-to-day and that  
13          Mr. Ian Hogg was your accountant. Did you review  
14          his --

15   A    No. No.

16   Q    -- work or not?

17   A    No. No. I (INDISCERNIBLE) the controller.  
18          Jeff Johnson was the accountant at BDO Dunwoody. And  
19          MNP was the auditing company for Crown.

20   Q    Is Ian Hogg --

21   A    Or external auditing, whatever it was.

22   Q    Is Mr. Hogg an accountant?

23   A    I've -- I don't know. The Crown people do it better  
24          than I did.

25   Q    So, again, you said the day-to-day, you would not  
26          follow the day-to-day finance or accounting? I'm not  
27          trying to put words in your mouth.

1 A No, I didn't. I did not follow that. I was busy in  
2 the field getting the work done -- getting the work,  
3 getting the work done. That was my job.

4 Q Would Mr. Hogg report to you about the finances or the  
5 accounting?

6 A Yes.

7 Q How frequently would you receive reports from Mr. Hogg  
8 on the financing or accounting of RBee?

9 A I didn't receive them as in paper. It was verbal.

10 Q How often would you receive information from Mr. Hogg  
11 about the financing or accounting verbally?

12 A Month end. Once a month basically.

13 Q So every month you would receive a report about the  
14 financial --

15 A I -- no. I wouldn't receive a report every month.  
16 He -- we would visit and chat about it, and he would  
17 look after it with Jeff Johnson.

18 Q Would you receive a report from Jeff Johnson?

19 A No.

20 Q So I -- I'm just trying to understand this. So you  
21 would meet with Mr. Hogg once a month to get an update,  
22 a verbal update, about the financial affairs of RBee;  
23 correct?

24 A Yeah. I -- some months. Some -- that -- that's a  
25 pretty -- that's a pretty hard one to qualify for me  
26 because there was no set -- there was no set day that  
27 it was to be done. We would look at our receivables,

1           we would look at our payables on a monthly basis, and  
2           go from there.

3    Q    Would you look at other financial metrics?

4    A    I wouldn't, no.

5    Q    Who would?

6    A    Ian Hogg, Jeff Johnson, and Tim Oldfield.

7    Q    So if I understand it correctly, Mr. Hogg, your  
8           controller, provided monthly verbal reports, he worked  
9           with your accountant at BDO, and that work was reviewed  
10          by Mr. Tim Oldfield; is that correct?

11   R. RIMER:                   Before you -- before you  
12          answer that, you say "with your accountant". Are you  
13          referring to Mr. Jeff Johnson -- are you referring to  
14          Jeff Johnson in his capacity as the accountant for RBee  
15          or for Mr. Reed personally, or what capacity are you  
16          talking about here, Mr. Keliher?

17   C. KELIHER:                Mr. Reed confirmed earlier  
18          that Mr. Johnson was the accountant for every one of  
19          the entities including Bernie. So --

20   R. RIMER:                   Okay.

21   C. KELIHER:                I propose in all -- all  
22          capacity.

23   R. RIMER:                   Okay. But right now your line  
24          of questioning, as I understand it, is talking about  
25          the affairs and financial reporting of RBee Aggregate  
26          only. So I just want to make sure that we're on the  
27          same page here and you're asking questions about RBee's

1 transactions and nothing else at the moment.

2 C. KELIHER: All of these questions have  
3 been about RBee.

4 R. RIMER: Okay. Just --

5 C. KELIHER: Yes. We are talking about  
6 RBee.

7 R. RIMER: Thank you.

8 So please repeat that. I'm sure he lost the train  
9 of thought there.

10 Q C. KELIHER: I'm trying to understand the  
11 financial reporting in the company. Mr. Reed, I  
12 understand and I'm trying to summarize what I believe  
13 you have said to me which is that on a monthly or so  
14 basis, you would meet with your controller and obtain  
15 verbal updates about the financial affairs of the  
16 company; is that correct?

17 A Yes. Yes.

18 Q You would also meet with RBee's accountant, who is also  
19 your accountant and A-1's accountant and 125's  
20 accountant, to discuss the financial affairs of RBee?

21 A Yes.

22 Q So once a month you received an update on the financial  
23 affairs of RBee; is that correct?

24 A For the most part, yes.

25 Q So you've mentioned Mr. Tim Oldfield. I believe you  
26 said that he was involved -- he was the one who  
27 provided the financial oversight role; is that correct?

1 A He was the one that -- I'm sorry. I don't understand  
2 the question.

3 Q He was the individual who primarily provided financial  
4 oversight of RBee; is that correct?

5 A He was -- he was Crown's watchdog.

6 Q What does that mean?

7 A He would phone Mr. Hogg about what's going on with the  
8 bank account, what's going on with this and that, and  
9 Ian would fill him in is what he had told me.

10 Q Was anybody else, any other director, involved in the  
11 day-to-day affairs of RBee?

12 A I'm sure Chris Johnson was 'cause they sit in the same  
13 building, him and Tim Oldfield.

14 Q Are you guessing, or you know?

15 A Because they're in Toronto, and I'm in Edmonton. I'm  
16 sorry. But it's just like, do you talk to a lawyer in  
17 your office? No. Absolutely you do this. No  
18 different than I -- when I walk down the hallway and  
19 see somebody in my office, I talk to them. But I  
20 can't -- I can't differentiate how thorough Chris and  
21 Tim were when I'm -- I didn't go to school long, but I  
22 know people. They're invested in stuff, talking to  
23 each other about stuff that's going on.

24 That's all I'm saying, is they were privy to their  
25 lawyers setting everything up, they were privy to their  
26 accounting people setting everything up because I  
27 couldn't be involved in that 'cause there was a

1 conflict of interest is what Chris Johnson told me as  
2 far as having my lawyer or my accounting firm set the  
3 deal up and we went into partnership together.

4 So I -- I went along with this. I'm fine. Use  
5 your people you're comfortable with. So they had --  
6 they were privy to the legal side and MNP and all those  
7 people that were the watchdogs for them on this for the  
8 duration.

9 Q So, Mr. Reed, I asked whether any of the other  
10 directors were involved in the day-to-day operations of  
11 RBee?

12 A Well, then I'll rephrase that. I don't know.

13 Q You --

14 A Because I don't know. I wasn't involved in talking to  
15 them. I wasn't around them. So I don't know.

16 Q But you -- you are the president of the company?

17 A I was, yes.

18 Q And a director of the company?

19 A Yes.

20 Q And you said it earlier that you ran the day-to-day, I  
21 believe?

22 A In the field, yes.

23 Q Were any of the other directors involved in that?

24 A No.

25 Q Were any of the other directors involved with  
26 negotiating contracts?

27 A I would say no.

1 Q Were any of --

2 A Well, we talked about -- on a big contract. Yes, we  
3 did talk about -- with Crown on the -- on the two big  
4 contracts we had.

5 Q Which contracts were those?

6 A When we were getting into them.

7 Q Which contracts are you referring to?

8 A The crushing and washing contract at Site C dam and the  
9 crushing and washing contract we had with Rolling Mix  
10 Concrete on the Vogel operation.

11 Q Understood.

12 And so earlier you had said that the directors  
13 only met maybe once a year to discuss the financial  
14 operating affairs --

15 A Yeah. They didn't come out here.

16 Q Would you talk to them on the phone?

17 A No. They never called, so I didn't call them. Ian was  
18 the guy dealing with the Crown people for that reason  
19 so that I wasn't involved with them. I wanted to be  
20 arm's length. I didn't want to be involved in making  
21 those decisions. Ian talked to Tim.

22 Q What decisions?

23 A I don't know.

24 Q So you --

25 A I can't -- I don't know. That's -- that's the only  
26 answer I can give you 'cause I don't know. I'm telling  
27 the truth.

1 Q You don't know what decisions you didn't want to be a  
2 part of?

3 A No. I didn't want to be a part of making the decisions  
4 on who gets paid on a monthly basis because I didn't  
5 want to be a preferential party to it as you can see by  
6 the unsecured debt that I left in the company when they  
7 put it into receivership, the monies that I was owed.  
8 If it was preferential, I would have paid myself. But  
9 I did not.

10 R. RIMER: How much money are you left  
11 outstanding now owed by RBee or your companies?

12 A Between 4.6 and 5 million bucks.

13 C. KELIHER: Thank you for that, again,  
14 Russ. Again, it's an examination of -- of Mr. Reed.

15 Q C. KELIHER: So, again, if I'm  
16 understanding this correctly, the other directors were  
17 not involved in the day-to-day operations of RBee?

18 A Not with me they weren't. They might have been with  
19 Ian Hogg. I don't know.

20 Q And you didn't call them?

21 A Or Jeff Johnson they may have been. I don't know.

22 Q Understood.

23 And you -- you didn't call them about the  
24 day-to-day operations?

25 A No.

26 Q And they didn't call you --

27 R. RIMER: Mr. Keliher, you've asked this

1 question three times now. How many more times are you  
2 going to ask it? Asked and answered. Please move on.

3 C. KELIHER: I keep getting different  
4 answers, Russ.

5 R. RIMER: You don't. But continue.  
6 I'm -- it sounds to me like he's answered the question  
7 consistently, and you keep asking the same question  
8 like you're trying to get something else out of him.

9 C. KELIHER: No. I just -- maybe it's a  
10 simple "yes" or "no". Mr. Reed was the only director  
11 responsible for running the day-to-day operations of  
12 RBee.

13 R. RIMER: It depends what you consider  
14 "day-to-day operations". He's tried to explain to you  
15 what he did. He's answered that. I don't know what  
16 there are for --

17 C. KELIHER: Russ --

18 R. RIMER: -- other day-to-day  
19 operations. He's told you what he did.

20 C. KELIHER: With respect --

21 R. RIMER: You've asked him -- asked him  
22 if there are other people who had day-to-day  
23 operations. He says, I don't know. What else can you  
24 ask him? But please proceed.

25 C. KELIHER: So I'll ask it this way.

26 As a director and as the president of RBee, you do  
27 not know who was involved in the day-to-day operations

1 of the company?

2 A Yes, I did know who was involved, but it wasn't me. It  
3 was Ian Hogg. And David Howells managed -- he was the  
4 general manager, and Ian -- Ian Hogg was the  
5 controller.

6 Q Both of whom would report to you?

7 A Repeat that, please.

8 Q Both of whom would report to you?

9 A Did he say all of them?

10 R. RIMER: He said both of them who would  
11 report to you, question mark.

12 A Not -- not on a regular basis, no.

13 Q C. KELIHER: Who would they report to?

14 A I guess I'd have to answer that, yes, in that respect.  
15 But they -- they were running the business in --  
16 in-house. So it wasn't -- we didn't have a -- a level  
17 of reporting to.

18 Q Who would make the key decisions for the company?

19 A I would on purchasing and equipment. David and the  
20 shop manager would on repairing of the equipment, and  
21 the foremans [sic] in the field -- with the foremans,  
22 and David would do that to do the -- the repairs as  
23 necessary to keep operating.

24 Q And that was it?

25 A Yes.

26 Q Okay. So, moving on, you had said that the directors  
27 met maybe once a year, if that. Were there meeting

- 1 minutes that were prepared for these meetings?
- 2 A No.
- 3 Q Directors' resolutions?
- 4 A No.
- 5 Q Would they be held in person?
- 6 A Crown used to go once a year to our office. Yes.
- 7 Q Okay. And I understand that historically there were
- 8 two shareholders of RBee; is that correct?
- 9 A That's all there were, yes.
- 10 Q Who were those shareholders?
- 11 A Crown Capital Corporation and A-1 Quality Belting.
- 12 Q And A-1? I think I just misheard you.
- 13 A A-1 Quality Belting.
- 14 Q Okay. That -- that wasn't designed to be a trick
- 15 question. I think it was a company called two six nine
- 16 three two (INDISCERNIBLE - OVERLAPPING SPEAKERS) --
- 17 A Well, that was --
- 18 Q -- Alberta?
- 19 A That was a numbered company in with A-1 Quality Belting
- 20 to keep it separate from A-1 Quality Belting. It's
- 21 just like we didn't call it Crown corporation.
- 22 Q Understood. What -- what --
- 23 A They were a 50 percent partner.
- 24 Q Numbered Company 206 was a 50 percent partner. Is that
- 25 what you mean?
- 26 A Yes.
- 27 Q And so what was your relationship with 206?

1 A I was the owner of it.

2 Q Were you the 100 percent owner?

3 A Yes.

4 Q Was there -- were you the sole director?

5 A Yes.

6 Q Okay. So let's shift gears a little bit. I want to  
7 chat very quickly about A-1. Mr. Reed, I understand  
8 that you're a sole director and shareholder of A-1?

9 A I'm a shareholder.

10 Q Is there another director?

11 A Janet Fisher runs it.

12 R. RIMER: Mr. Reed, his question was who  
13 are the directors of A-1? And a corporate search, I  
14 think --

15 A Of A-1 or of 125?

16 Q C. KELIHER: A-1.

17 A Oh, A-1. I'm totally sorry. I misunderstood you.

18 Q That's okay.

19 A Yeah. I'm the sole director of A-1, yes.

20 R. RIMER: And I believe you're the  
21 sole shareholder --

22 A Sole owner, sole -- sole everything.

23 Q C. KELIHER: And what was your role and  
24 responsibilities at A-1?

25 R. RIMER: Was or still is.

26 C. KELIHER: Or still is, sure.

27 A I own it, and I have a -- a manager that manages it for

1 me.

2 Q C. KELIHER: Okay. What does A-1 do for  
3 business?

4 A We sell conveyor belting, pressure liners, ground  
5 engaging tools for loader buckets.

6 Q So is it the retail or commercial sale of goods? Is  
7 that what I understand?

8 A Yes. We -- we sell conveyor beltings to sawmills and  
9 other crushing contractors and we're in the conveyor  
10 belt business.

11 Q And would you ever rent out or lease or, you know, loan  
12 any of these assets to other parties?

13 A I -- I rented the equipment out.

14 Q Okay. What time of year does A-1 typically operate?

15 A Pardon me?

16 Q What time of year? Like, what months out of the year?

17 A 12 months.

18 Q The full 12 months?

19 A Yes.

20 Q Okay. Let's turn back to 125 which you had started to  
21 answer. I believe you're a director of 125 Alberta?

22 A I guess I am. I'm a 50 percent partner in it. I --

23 Q I think you said you're -- you're -- partner --

24 A I don't even know. I imagine I am, I guess, yeah.  
25 I'll say yes.

26 R. RIMER: Well, if you're not sure, you  
27 say, I'm not sure.

1     A     Well, I believe I'm the president.  So I don't know  
2           whether that's a director or not.  I don't -- I don't  
3           have anything to do with running it on a day-to-day  
4           basis.

5     Q     C. KELIHER:                   Did I just hear that you said  
6           you were the president?

7     A     I believe I am.

8     Q     Who runs it on a day-to-day basis?

9     A     It runs itself.  It's just got two properties.  And  
10          there's -- there's lease contracts on them.  You send  
11          the bill and get the cheque, and that's how it runs.

12    Q     So there -- there's two properties.  What type of  
13          business does 125 operate?

14    A     Two buildings that it rents out.

15    Q     And you said you don't really have any involvement with  
16          the day-to-day operations of the company?

17    A     No.  There's nothing to run.  It runs itself.  It's --  
18          it's just two bills and two cheques come in.  That's  
19          all there is to running it.  It's an investment in  
20          buildings and property.

21    Q     Who would be responsible for entering into agreements  
22          on behalf of 125?

23    A     Janet Fisher is the one that -- when you talked to her  
24          two days ago.

25    Q     And for collecting the payments?

26    A     Really nobody because people just paid their bill.  We  
27          didn't -- we didn't have a problem with it and that

1       there -- if -- if they were late, like, when we get to  
2       where there was two payments made in one month, they  
3       were late making the payment, and they caught them up,  
4       and there was nothing said. We just accepted the fact  
5       that that's how life is and ...

6   Q   Okay. So I want to talk to you about the day-to-day  
7       operations of RBee in a bit more detail. I believe  
8       earlier you said they were involved in gravel crushing?

9   A   How many times are you going to ask me if they're  
10      involved in gravel crushing, and how many times am I  
11      going to tell you yes?

12  Q   Okay.

13  A   I get tired of this. I ain't stupid. I wasn't  
14      educated, but I am smart enough to know that -- what  
15      the business was, and I've told you the same answer  
16      many times.

17  Q   So when during the year would the business typically  
18      operate, Mr. Reed?

19  A   Whenever there was work.

20  Q   To December?

21  A   You're smarter than me if you can tell me when the  
22      government's going to put out work. We could work  
23      January, February. We didn't work much in December,  
24      but if there was work, we worked January 'til the end  
25      of November.

26  Q   Did RBee have work in January?

27  A   Sometimes. Sometimes not. We work off government

1           budgets.

2       Q     So was there --

3       A     There's no money, there's no work.

4       Q     Was there a time of year that was busier for RBee  
5           typically?

6       A     Absolutely. Summers always. That's when they pave  
7           roads, that's when they mix concrete, from the 15th of  
8           April to the end of October. Those are our peak  
9           months.

10      Q     Middle April to end of October?

11      A     Generally yes. But it is not cast in stone. It is  
12           what it is. You take the work when you can get it.

13      Q     And so generally speaking, then, April to October was  
14           busier for you, and then November or December, January,  
15           February, March, would have been quieter for you?

16      A     Very slow. Yes. Very slow.

17      Q     How many employees would RBee typically have throughout  
18           the year?

19      A     Anywhere from 30 to 200.

20      Q     So --

21      A     Depending on the workload.

22      Q     So at the start of the year in April, typically how  
23           many would you have?

24      A     150 when we get ramped up to start with, and 180,  
25           probably 200, depending on the -- depending on the  
26           amount of work. I can't -- I can't quantify that  
27           because it's all about -- we had years in the business

1           we did \$35 million; we had years we did \$70 million.  
2           It's relative to the amount of work that's out there to  
3           bid. So that's -- that's as good an answer as I can  
4           give you as to how many people.

5    Q    So what would happen to the employees in October?

6    A    Lay them off.

7    Q    Would there be a significant layoff?

8    A    Yes.

9    Q    Approximately how many employees would you have had  
10       between October and March?

11       R. RIMER:                   Are you talking a specific  
12       year, Mr. Keliher, or in general? It seems like a  
13       pretty general question you're asking.

14       C. KELIHER:                Just in general.

15    A    It would depend -- it would depend solely on if we got  
16       any work in the winter, but if we didn't, we'd probably  
17       be in the -- 30 to 25 people between trucking and  
18       moving equipment around to get ready for work that we  
19       had on the books and repairing equipment.

20               And then when we start working in the field, we go  
21       from no work to double shifting on three, four, five  
22       plants. It takes 16 to 18 people per plant if you  
23       double shift on a rule of thumb. You know what? It's  
24       just peaks and valleys.

25    Q    So how many active contracts would RBee typically have  
26       throughout a -- throughout a season?

27    A    I would say 12 to 20 depending on the year, depending

1           on how successful we were in bidding work.

2   Q   And there was the --

3   A   There's no set number.

4   Q   But there was the two big ones, I think you referred to

5       earlier?

6   A   Yes.

7   Q   Okay.

8   A   And those went six months of the year.

9   Q   Would all of those --

10  A   (INDISCERNIBLE - OVERLAPPING SPEAKERS)

11  Q   Oh, I -- I cut you off. I'm sorry.

12       R. RIMER:                   He said, And then it went six

13       months of the year and then shut down.

14  A   Yes. 'Cause you can't wash concrete material in the

15       winter.

16       C. KELIHER:                 I think I might have misheard

17       that as well. Did you say "wash" concrete material?

18  A   W-A-S-H. Wash. Sorry. I got a partial denture, and I

19       slur my words.

20  Q   No. I -- I think it was our technology, Mr. Reed.

21       And so earlier you had said gravel crushing, but

22       that sounds different from washing concrete.

23  A   It is when you don't understand the business. Totally

24       different.

25  Q   I don't understand the difference.

26  A   You crush aggregate, you -- listen, please. You crush

27       aggregate, then you put it through a wash plant and

- 1 wash the dirt out of it so they can use the aggregate  
2 without the dirt in it to make cement.
- 3 Q Understood.
- 4 A No. To make concrete, you put cement powder with  
5 aggregates, but the aggregates have to be clean in  
6 order to make concrete.
- 7 Q And that business would shut down in October as well?
- 8 A Yes.
- 9 Q So did RBee complete work on behalf of or for the  
10 benefit of A-1?
- 11 A Did RBee -- pardon -- try that again.
- 12 Q Did RBee have any contracts to complete work for A-1?
- 13 A To complete work for A-1?
- 14 R. RIMER: He said, Did RBee have any  
15 contracts with A-1 to ... And then I didn't hear it.
- 16 Q C. KELIHER: To complete any work. To  
17 provide services.
- 18 A For A-1?
- 19 Q For A-1.
- 20 A "Anyone" or "A-1"?
- 21 Q A-1.
- 22 A No. RBee didn't do anything for A-1. They just rented  
23 equipment, got conveyor belting for the plants, bought  
24 liners for the crushers, bought segments and the bucket  
25 teeth for the loaders. A-1's a supply house.
- 26 Q So RBee would have purchased services from --
- 27 A Yes.

1 Q -- A-1?

2 A Yeah. Well, I guess you could call it that. Yes,  
3 services. Yes.

4 Q So earlier we spoke about RBee going into bankruptcy  
5 and receivership early in 2022. Are you aware that  
6 RBee had any active contracts in place prior to the  
7 bankruptcy or the receivership?

8 A They didn't have any contracts in place. They were  
9 working on jobs on a year-to-year basis that the owners  
10 of the -- of the companies that they were working for,  
11 their contracts were structured as such that if a  
12 contract -- if -- if the company went out of business,  
13 the contractor that was hiring -- the owner that was  
14 hiring had the right to not renew -- not pass the work  
15 on with the equipment if the equipment was sold.

16 Q Okay. Let's talk about the finances again. I want to  
17 get into a bit more detail on this.

18 So earlier you said, I believe, Mr. Ian Hogg or  
19 Hogg was the controller?

20 A Hogg. H-O-G-G.

21 Q And I believe that MNP is the auditor or was the  
22 auditor of RBee; is that correct?

23 A That was Crown's choice for an auditor -- Crown  
24 corporation's choice for an auditor.

25 Q So that's a yes?

26 R. RIMER: What was the question, again?

27 Q C. KELIHER: Is MNP the auditor?

- 1     A     Yes.
- 2     Q     How long was MNP the auditor? Do you know?
- 3     A     They were the auditor from day 1.
- 4     Q     And I appreciate this is retreading some ground, but I
- 5         don't think we asked this specific question. Who
- 6         reviewed the audit reports of MNP?
- 7     A     I want to say Crown corporation because they're the
- 8         ones that requested the internal or external audit to
- 9         be done.
- 10    Q     And what about the audit recommendations?
- 11    A     I never ever saw any, never heard of any.
- 12    Q     So you never reviewed any audit reports or audit
- 13         recommendations?
- 14    A     No, I did not, because nobody brought anything to my
- 15         attention that there was a problem.
- 16    Q     Did you ever review audited financial statements?
- 17    A     No.
- 18    Q     You've -- you've never seen them?
- 19    A     You asked me the question if I reviewed them, and I
- 20         said no 'cause I did not review them. I might have saw
- 21         them, but ...
- 22    Q     Did you or did you not see them?
- 23    A     I did not review -- review them. No.
- 24    Q     But did you see them?
- 25    A     No. I can't remember distinctly to say that I did, so
- 26         I'm going to say no.
- 27    Q     Which would mean --

1 A Mr. Hogg -- Mr. Oldfield and whoever else at that end  
2 would have reviewed it. And Jeff Johnson discussed  
3 stuff -- if there was questions regarding the audit,  
4 Jeff Johnson from BDO Dunwoody would have talked to --  
5 I don't even know what the guy's name was. It's MNP.  
6 Dwayne, I think, was his name. I'm not sure.

7 Q Would the audit reports, the recommendations, or the  
8 financial statements be part of your monthly verbal  
9 updates?

10 A No.

11 Q Well, Mr. Reed, I want to talk to you about the audited  
12 financial statements. If you've never seen them, we'll  
13 pull them up on the screen for you, and we -- we can  
14 talk about them. Just bear with us for a second.

15 Mr. Reed, can you see these? See this document?

16 A Yes.

17 Q And you see that it says the RBee Aggregate Consulting  
18 Limited financial statements for April 30th, 2021?

19 A Yes.

20 Q Okay. I'd like to just mark this for identification  
21 purposes. I believe it's Document Number 2.

22 EXHIBIT B FOR IDENTIFICATION - RBee Aggregate  
23 Consulting Ltd. financial statements dated  
24 April 30, 2021

25 Q C. KELIHER: Mr. Reed, I believe you said  
26 you -- you have never seen the audited financial  
27 statements of the company. You've never seen this

1 document?

2 A No, I did not.

3 R. RIMER: He didn't say that,  
4 Mr. Keliher. Why are you putting words in his mouth?

5 A I said that I may have -- I would have -- may have seen  
6 it, but I didn't review it. Sorry if I misrepresented  
7 my wording.

8 Q C. KELIHER: So have you seen this document  
9 before?

10 A I don't --

11 R. RIMER: You're showing him one page of  
12 one document. How is he supposed to answer that?

13 C. KELIHER: With respect, it's an audited  
14 financial statement of the company of which he is a  
15 director and the president.

16 R. RIMER: Okay. Now we can -- now we  
17 can see a bunch of -- we can't read it. We can't read  
18 this.

19 C. KELIHER: Would you like five minutes to  
20 review the financial statements? We're happy to take a  
21 quick break if that would be helpful for you.

22 R. RIMER: Perhaps we'll take a  
23 five-minute break, and I don't know if you can -- I  
24 don't know how we control this. Like, we don't have  
25 this other than what you have on the screen. So it'll  
26 be a quick perusal, but I don't know what kind of  
27 useful information you'll get out of Mr. Reed if he

1 reviews this when he's not well-versed in accounting or  
2 has -- anyhow, I mean, we can review it if you like,  
3 but we can't see it unless you can forward me a copy of  
4 this by email. I can open it up on my screen, I think.  
5 I just hope I won't kill our Zoom meeting, which I may  
6 do due to my technological inadequacies.

7 C. KELIHER: Sure. We can email it to you.

8 R. RIMER: Okay. Let's do that, and we  
9 can review it. And I don't know how long you want to  
10 break for, and I may lose you just 'cause I don't know  
11 how to operate off of one screen here. I might lose --  
12 can you send me -- can we go off the record first?  
13 Let's take a break.

14 C. KELIHER: Yeah. We can go off the  
15 record.

16 (DISCUSSION OFF THE RECORD)

17 Q C. KELIHER: Okay. So the -- the document  
18 on your screen, as you can see, is the RBee Aggregate  
19 Consulting Limited balance sheet. Just to pick up  
20 where we left off, Mr. Reed, I believe -- I'm not  
21 putting -- trying not -- trying to put words in your  
22 mouth. I believe you said you have seen this document,  
23 but you have not reviewed it; is that correct?

24 A No. I can't clarify that I saw it, but I can't verify  
25 a lot of things that went on two years, three years ago  
26 in the business because, to me, that wasn't -- that  
27 wasn't what I was concerned with. I was concerned with

1 running the business, and Ian was the controller, and  
2 he was talking to Tim Oldfield on a regular --  
3 reasonably regular basis, he told me, and there was no  
4 feedback from them to me. So if it ain't broke, don't  
5 fix it.

6 Q Well, so let's walk through the document, then, and if  
7 your answer is "I don't know", your answer is "I don't  
8 know".

9 So if -- if you look at your -- your screen right  
10 now -- just scroll down. Keep scrolling down to  
11 page 2. This is the audited -- scroll up for a  
12 second -- statement of loss and retained earnings for  
13 RBee for the year ending April 30th, 2021.

14 If you look at it, it says that these --

15 C. KELIHER: Perhaps you can make that just  
16 a bit smaller.

17 J. MACKINNON: Smaller?

18 C. KELIHER: Yeah.

19 Q C. KELIHER: -- loss from operations in  
20 2020 was 2.0 million. And in 2021 the loss from  
21 operations was 4.2 million. Can you explain why the  
22 company was losing information -- or losing money  
23 between these years or why the loss has increased  
24 between that period?

25 A I can only guess at it that it was depreciation and  
26 amortization.

27 R. RIMER: That's your guess. But if

1           it's a guess, it's a guess.

2       A    It's a guess. I don't know. We were making our  
3           payments at the bank, and that was what I was concerned  
4           with. And that's why we put -- you're going to get to  
5           it sometime this afternoon -- why we put 800 -- I put  
6           800 grand back in it and Crown put 500 back in it was  
7           to satisfy the bank, and that was my major concern.  
8           We -- we weren't missing any payments. We just didn't  
9           govern the covenants properly, so that's why we had to  
10          put money in.

11       Q    C. KELIHER:                    Okay. We will get --

12       A    Beyond that, I don't know.

13       Q    So if we scroll up. So it looks like from the income  
14           statements, revenue dropped from 37.4 million to  
15           34.5 million in 2021. Can you explain why revenue  
16           dropped?

17       A    Because that's all the work we got in that given fiscal  
18           year.

19       Q    And general and administrative expenses increased from  
20           5.36 million to 7.63 million in 2021. So G&A expenses  
21           had increased. Do you know why that was?

22       A    No. I don't know -- I didn't know it, and I don't know  
23           why. But, again, that's why I had somebody else  
24           overseeing it because I'm not an accountant. I'm --  
25           I'm a guy that knows how to work.

26       Q    Okay.

27           R. RIMER:                       We're looking at one page now,

1       Mr. Keliher. I see there's notes to that. I don't  
2       know if the notes would explain anything. But, again,  
3       we're reviewing this for the first time.

4       C. KELIHER:                    Yeah. I -- and if he hasn't  
5       reviewed this document, that's fine. He can give us  
6       information about his knowledge of the affairs of RBee  
7       just from reading it.

8               So if you go to the balance sheet. That's on  
9       page 1, Jess.

10    Q    C. KELIHER:                It looks like the assets of  
11       RBee decreased between 2020 and 2021. They decreased  
12       from 55 million to 52.6 million. Do you know why that  
13       happened?

14    A    I'm assuming that it's depreciation.

15    Q    But you --

16    A    But I don't know.

17    Q    But you don't know?

18    A    That would be a Jeff Johnson question.

19    Q    And so if we look at the liabilities, those increase  
20       from 20.1 million to 21.54 million between the two  
21       years. Can you explain that increase?

22    A    Actually, stop for a sec. The biggest thing I don't  
23       understand about this -- I don't even remember your  
24       name -- sorry. Mr. --

25       R. RIMER:                    Mr. Keliher.

26    A    -- Mr. Keliher, is I went into a deal with Crown  
27       corporation as a partner, and we bought assets for

1       \$17.8 million, and then it got written up to  
2       \$40 million, and nobody could explain to me why that  
3       was.

4               So I should have pulled the rip cord that day and  
5       bailed because we bought something for 17.8 and then  
6       this is what comes out, and these documents I remember  
7       Jeff Johnson telling me it took him a year and a half  
8       for Crown to book what the asset value was because MNP  
9       would not do an audit on it without a booked asset  
10      value and Crown wouldn't book the asset value in that  
11      time frame, if I remember correctly.

12              But Jeff Johnson is the guy to talk to about that  
13      because he's the guy that was doing the books for me.  
14      But I am smart enough to know when I pay 17.8 for  
15      something and it gets written up to \$50 million, I'm  
16      not quite sure how that all works. But it was Crown's  
17      lawyers, it was Crown's accountants, and it was Crown  
18      people making these records. I rest my case.

19   Q   Thank you for that, Mr. Reed.

20              Appreciating that you haven't seen these financial  
21      statements or haven't reviewed these financial  
22      statements before --

23   A   No, I haven't, so I'll -- no.

24   Q   You haven't reviewed the financial statements before.  
25       It appears that RBee was not profitable in the year  
26       2020; is that correct?

27   A   Let me ask you a question. I'm getting all the

1 questions.

2 If you were a 50 percent partner and you were an  
3 accountant with an MBA list of stuff behind your name,  
4 and this was a major problem, wouldn't you have come to  
5 me and said, We've got to do something, or you're  
6 fired?

7 Q Mr. Reed, this is your examination, not mine.

8 A Okay.

9 Q Was RBee profitable in 2020?

10 A I can't answer that other than what you're showing me  
11 there.

12 R. RIMER: And that screen we're looking  
13 at doesn't say anything.

14 Q C. KELIHER: So I'll repeat the question.

15 A That would be a Jeff Johnson question because I do not  
16 know. I don't understand this stuff.

17 Q You don't know. And do you know --

18 A I don't --

19 Q Do you know if it was profitable in 2021?

20 A No. Obviously, it wasn't, because it got hit over the  
21 head. But I'm surmising that. All I knew is we  
22 haven't missed a payment at the bank. And, yes, we  
23 did -- we were in arrears with Crown on interest, but  
24 there was never a demand for that interest, and we were  
25 going to catch that up once we got the bank paid out  
26 was our understanding according to Mr. Hogg in dealing  
27 with Crown. But I'm only going by what he told me.

1 Q So in your month-to-month updates with your controller  
2 and your accountant, nobody told you that operations  
3 were not profitable?

4 A No.

5 Q You had no visibility whatsoever that the company was  
6 not profitable?

7 A It had -- it had the -- it would have its months. We  
8 had -- there was four point -- you're -- you know more  
9 about this than you want to let on than me, but there  
10 was four -- over \$4 million that the client didn't --  
11 wouldn't pay us that you're going after him for. And  
12 that -- that falls into this time frame you're on that  
13 we're talking about that we couldn't collect.

14 Q So were you --

15 A We were --

16 Q Were you or were you not getting updates that --

17 A We were trying to collect it, but we couldn't get the  
18 money.

19 Q So were you or were you not getting updates that the  
20 company RBee was not profitable in 2020?

21 R. RIMER: A long pause here again.

22 Mr. Reed, if you don't know, you don't know.

23 A I don't -- look, I don't know to the extent of all  
24 these numbers. Like I said, I was concerned about  
25 paying the bank. We were making our bank payments, and  
26 that was my major concern.

27 Q C. KELIHER: Mr. Reed, you said you were --

1       you were responsible for the day-to-day operations of  
2       the company. You said this repeatedly.

3    A   In the field.

4    Q   In the field. You had no understanding that the  
5       business was not profitable?

6    A   Not to the extent that this --

7       R. RIMER:                   Mr. Keliher, he's asked  
8       this -- you've asked this question. He's answered it.  
9       Move on.

10   C. KELIHER:                   He's not answered it.

11   R. RIMER:                   He has answered it. He says  
12   he doesn't know.

13   C. KELIHER:                   Is that the answer, Mr. Reed?  
14   You don't know?

15   A   Yes.

16   Q   And what about in 2021?

17   A   I didn't know.

18   R. RIMER:                   He didn't know is what he  
19   said.

20   Q   C. KELIHER:               What about in 2021, Mr. Reed?

21   R. RIMER:                   Is there a question there?  
22   What about in 2021?

23   Q   C. KELIHER:               Did you understand the  
24   business was not profitable in the year 2021?

25   A   I believe that would have been profitable if we could  
26   have collected the money.

27   Q   So with -- with respect, that didn't answer the

1 question.

2 A \$3 million bad debt with a company that went into the  
3 CCAA that we didn't get paid. And then we had the one  
4 on Site C for 4.4 million that we didn't get paid that  
5 we paid our bills on at that time.

6 R. RIMER: Who was that, Mr. Reed?

7 A It was -- JMV Trucking was the CCAA, and Rolling Mix  
8 was the dam.

9 Q C. KELIHER: So you --

10 A And those two were to the tune of about -- between 7.5,  
11 7.6, and \$7.9 million dollars that we didn't get paid.  
12 So that had a major impact on us making money or not  
13 making money in that time frame.

14 Q So you were aware that the -- RBee was not profitable  
15 that year?

16 A If we had collected the money, it would have been. But  
17 I -- I couldn't collect the money because they went  
18 into CCAA, and we went to court, and we didn't have a  
19 good-enough lawyer, I guess, and we lost the case.

20 Q And so, Mr. Reed, you didn't collect that money?

21 A No, we didn't.

22 Q So you knew you were not profitable in 2021?

23 R. RIMER: How many times are you going  
24 to ask?

25 A All I can tell you is that if they had that much  
26 concern about it, they should have fired me and came in  
27 and took it over.

1 Q C. KELIHER: That is not what I asked you.

2 A (INDISCERNIBLE - OVERLAPPING SPEAKERS)

3 Q Mr. Reed, I've asked you a simple question, which is --

4 R. RIMER: It's not simple, Mr. Keliher.

5 I beg to differ. You're asking him -- you're throwing  
6 financial statements in front of him with tens of  
7 billions of dollars cash and asking him one important  
8 question, Are you aware that the company was profitable  
9 or not. I don't know if you're asking, Were you aware,  
10 or, Are you aware now. I'm still not clear on what the  
11 question is. But he's not going to give you a "yes" or  
12 "no" answer to something like this. He's already made  
13 that abundantly clear.

14 C. KELIHER: So --

15 R. RIMER: So why don't you move on, and  
16 if you want to revisit this at a later date, perhaps we  
17 should do it then. It -- it seems to me like you're  
18 asking him the same question looking for him to give  
19 you a specific "yes" or "no" answer. It's pretty  
20 apparent that he will not be today.

21 C. KELIHER: Well, if the answer is "I  
22 don't know", say "I don't know".

23 R. RIMER: He said "I don't know".

24 C. KELIHER: No, Russ. He said, If we  
25 collected receivables and the company didn't go into a  
26 CCAA, we would have been profitable. Neither of those  
27 things happened.

1 Q C. KELIHER: So were you or were you not  
2 profitable?

3 A No, we weren't, 'cause we didn't collect the  
4 receivables.

5 Q Thank you.

6 A We'll leave it at that.

7 Q So I think it's time we should move past the  
8 financial -- the audited financial statements. I want  
9 to talk to you about the 2020 and 2021 audit  
10 recommendations. We'll show this document on our  
11 screen as well. Can you see that, Mr. Reed?

12 J. MACKINNON: No.

13 A No.

14 Q C. KELIHER: How about now?

15 A Yeah, I can see --

16 Q Perfect.

17 A -- paperwork from MNP.

18 Q So this is a letter from MNP LLP in the top-right  
19 corner dated November 5th, 2021, and it is directed to  
20 Mr. David Howells of RBee Aggregate Consulting Limited.  
21 You see all of that?

22 A Yeah.

23 Q Okay. We would like --

24 R. RIMER: Mr. Keliher, are you going to  
25 mark this as a document as well; and, as well, send me  
26 for the first time all of these documents we've been  
27 looking at that -- being what you have on the screen

1 right now, and, as well, the audited financial  
2 statements which we haven't looked at before today?  
3 Can you confirm that? And --

4 C. KELIHER: So we're --

5 R. RIMER: If not, we're not answering  
6 the question.

7 C. KELIHER: So we're happy to mark it for  
8 identification.

9 R. RIMER: Thank you.

10 So this is document what for identification?

11 C. KELIHER: I believe three.

12 R. RIMER: And you'll send me the  
13 documents that we pulled up on the screen and  
14 identified after we're done here today so we've got  
15 them and can review them in detail for the first time?

16 C. KELIHER: Yes.

17 R. RIMER: Thank you.

18 EXHIBIT C FOR IDENTIFICATION - Letter from  
19 MNP LLP directed to Mr. Howells of RBee  
20 Aggregate Consulting Ltd. dated November 5,  
21 2021

22 Q C. KELIHER: Now, to -- to be clear, Mr. --  
23 Mr. Reed, have you seen this document before?

24 A I do not recall, no.

25 Q So you haven't reviewed this document either?

26 A No.

27 Q Okay. So this might be new information for you, then.

1 C. KELIHER: If you can scroll to page 2,  
2 Jess.

3 Q C. KELIHER: And if your answer to these  
4 questions are "I don't know", that's perfectly okay.

5 There's a section on GST payments which says  
6 "resolved". Could you read that? I'd like to ask you  
7 some questions very quickly.

8 R. RIMER: He's going to take his time to  
9 digest this statement.

10 A What do you want me to read? The GST payments  
11 resolved --

12 C. KELIHER: The "GST payments resolved,  
13 observation, and possible effect". It's on your  
14 screen. It's --

15 R. RIMER: No. He's not going to answer  
16 this until he reviews what's above it. You're talking  
17 about -- I still don't know where you're going with  
18 this. I'm not going to have him just -- you blindly  
19 put something in front of him and say --

20 C. KELIHER: He can answer he doesn't know  
21 or he hasn't seen it, and that's totally fine.

22 R. RIMER: Okay. So let's start at the  
23 top of the page. What's above "observation and  
24 possible effect"? Of what -- so what are we talking  
25 about here, Mr. Keliher? Are we talking about GST?

26 C. KELIHER: If might be easiest if he just  
27 read it.

1 R. RIMER: Okay. What are you asking him  
2 to read?

3 C. KELIHER: Again, the paragraph that says  
4 "GST payments resolved, observation, and possible  
5 effect".

6 R. RIMER: Okay. We will read this -- or  
7 he will read this.

8 Q C. KELIHER: I think I saw you nod your  
9 head, Mr. Reed. Have you finished reading that  
10 passage?

11 A I don't understand it, so ...

12 Q Understood. And so this next set of questions might be  
13 easier --

14 A Well, I understand that it appears with the assistance  
15 of BDO that the adjustments were being made  
16 appropriately in fiscal '21. That's -- out of all  
17 that, I'm just not capable of reading that and  
18 comprehending it and understanding.

19 Q So --

20 A And that's where I knew that.

21 Q So what it says is that: (as read)

22 A number of payments and receipts were  
23 recorded to the GST-paid account and not  
24 allocated appropriately between the  
25 GST-collected and GST-paid accounts and that  
26 this resulted in inaccurate GST-paid and  
27 GST-collected balances at year-end which did

1           not agree to the balances as reported by the  
2           CRA. This can lead to certainty as to the  
3           balance outstanding leading to significant  
4           penalties and interest being levied which  
5           did, in fact, occur in fiscal 2020.

6           Were you aware that RBee was not accurately recording  
7           its GST obligations?

8    A    No. No.

9    Q    Were you aware that penalties and interest were being  
10       levied or approved during this period?

11   A    No.

12   Q    And this information never came up in your monthly  
13       conversations with -- with Mr. Hogg?

14   A    No. I never saw this 'cause I -- the bookkeeper that  
15       worked for Ian Hogg did the GST reporting and payment.

16   Q    Understood. So you weren't aware of issues with the  
17       CRA concerning GST?

18   A    No, I was not.

19   Q    Understood.

20           Do you know who was responsible for sending GST  
21       cheques to the CRA?

22   A    Yes. Our bookkeeper, Tina Johns, at that time.

23   Q    Did you ever learn --

24       R. RIMER:                   Wait. I'm sorry --

25   A    Well, I -- no. I can't -- I can't tell when -- when  
26       she left the company. I -- when she was earning, we  
27       were the ones that looked after the GST, the -- what

1 the hell do you call that? The tax and --

2 R. RIMER: Payroll.

3 A Yeah. The payroll. I don't know what the hell the  
4 proper wording is.

5 R. RIMER: Source deductions.

6 A Source deductions. Thank you.

7 They were the ones that looked after that.

8 Q C. KELIHER: Understood.

9 And were you ever advised that cheques were not  
10 being received by the CRA for GST?

11 A No, I was not.

12 Q I appreciate that you haven't seen this before, but the  
13 letter, if you scroll down, indicates from MNP that an  
14 adjustment had to be made to the GST payable account  
15 and that the adjustments totalled \$611,000. Were you  
16 aware that RBee owed the CRA \$611,000 for -- for GST?

17 A I was not.

18 Q And this never came up in any of your conversations?  
19 Your --

20 A No.

21 Q -- month-to-month conversations?

22 A No.

23 Q And you weren't aware of any actions or activities  
24 undertaken by RBee to address these outstanding  
25 balances?

26 A What was that question?

27 R. RIMER: I didn't hear it either. I'm

1           sorry. Can you repeat that, Mr. Keliher.

2    Q    C. KELIHER:                    So for the \$611,000, which --  
3           which I understand from your previous answers you  
4           weren't aware of it, you're not aware of any actions  
5           taken by RBee to address that amount outstanding, are  
6           you?

7    A    No.

8    Q    No.

9    A    That would -- that would have been with the bookkeeper  
10          before Coleen.

11   Q    Understood.

12                So further on in the document, there's a "matters  
13          from the current year" audit. I'll have Jess pull it  
14          up. And, again, appreciating that you haven't seen  
15          this before, Mr. Reed.

16   A    Yeah.

17   Q    It talks about the prior --

18          R. RIMER:                    Can I just interject,  
19          Mr. Keliher? I just -- I've got some -- I need a  
20          restroom break, so can we just go on mute for five  
21          minutes or less?

22          C. KELIHER:                    Sure.

23          (ADJOURNMENT)

24   Q    C. KELIHER:                    So, Mr. Reed, we left off just  
25          before the -- the brief pause talking about matters  
26          from the current audit year, the prior period GST  
27          payable, and employee deductions payable. There is a

1 section on your screen now. I believe -- no. So  
2 scroll up. I think it was the observation. There you  
3 go.

4 Did you have an opportunity to read this over the  
5 break?

6 A Yeah.

7 Q Perfect.

8 R. RIMER: "Yes", "no", is the answers.  
9 So "yes"?

10 A Yes, I did.

11 Q C. KELIHER: So in this section of the  
12 report, which, again, I understand you have not  
13 reviewed before, it says that: (as read)

14 MNP noted that prior period GST payable and  
15 employee deductions payable balances owing to  
16 CRA have not been paid. This resulted in  
17 RBee accruing interest and penalties  
18 throughout the year and outstanding balances  
19 growing to significant payables at year-end.

20 Were you aware that this was occurring?

21 A No.

22 Q And this never came up in your monthly financial  
23 discussions?

24 A No.

25 Q Okay. And then, further on, it says that as at --  
26 further on in the passage, it says that as at  
27 April 30th, 2021, the amount payable to the CRA was

1       1.975 million. And as at the date of that letter, the  
2       amount was still outstanding, and interest and  
3       penalties were accruing daily. You weren't aware in  
4       April 30th that there was \$1.9 million outstanding to  
5       the CRA?

6   A   No.

7   Q   And this never came up in your monthly financial  
8       discussions?

9   A   No.

10   Q   And so when, if ever, did you discover that payments  
11       were not being made to the CRA for the employee  
12       deductions?

13   A   When I got the statement from the government this  
14       fall -- winter.

15   Q   Which -- which statement is that, Mr. Reed?

16   A   I don't have it here with me. It's saying that there  
17       was source deductions owing and --

18   Q   Understood.

19   A   -- GST owing.

20   Q   And that was the first time you became aware of this  
21       issue?

22   A   Yes.

23   Q   Okay. Were you aware that RBee was sent a -- a -- or  
24       let me rephrase that. Are you aware that the CRA  
25       demanded to do a payroll trust account exam of RBee?

26   A   No.

27   Q   Do you know what a payroll trust -- trust account exam

1 is?

2 A No.

3 Q And are you aware that the CRA eventually issued a  
4 notice of arrears in March of 2022 saying that RBee  
5 owed 2.36 million in connection with the RBee payroll  
6 account?

7 A We had nothing to do with RBee after the end of  
8 February of 2022.

9 Q Understood. Thank you, Mr. Reed.

10 So I want you to do a little bit more reading, and  
11 that'll be it for the end of the day. So if you scroll  
12 down -- Jess will scroll down a little bit. In the  
13 audit recommendations starting on page 5, there's a  
14 discussion on holdbacks receivable which you had  
15 commented on a little bit earlier. It's -- I don't  
16 know if you can see it. It says: (as read)

17 Holdbacks receivable, observation, and  
18 possible effect.

19 C. KELIHER: And then, Jess, if you scroll  
20 down, it continues a little bit on the next page.

21 Q C. KELIHER: Maybe just give you a minute  
22 to read that. I'll ask you a couple further questions,  
23 and then we'll be done with our reading.

24 A (INDISCERNIBLE) on jobs, so shoot.

25 R. RIMER: I think you're talking about  
26 specific --

27 A Oh --

1 R. RIMER: -- Mr. Reed,  
2 so (INDISCERNIBLE - OVERLAPPING SPEAKERS) --  
3 A Okay (INDISCERNIBLE - OVERLAPPING SPEAKERS) -- I  
4 thought it was a general question about holdbacks.  
5 THE COURT REPORTER: Sorry. Mr. Rimer, I didn't  
6 get any of that. Sorry. Guys. I can't --  
7 R. RIMER: We'll read this, and then --  
8 THE COURT REPORTER: -- get anything. Please  
9 repeat that.  
10 R. RIMER: We'll answer his question.  
11 THE COURT REPORTER: Sorry. Mr. Rimer --  
12 R. RIMER: And, again, Mr. Keliher, we're  
13 still -- we're still looking at what you marked for  
14 identification purposes as Document 3; is that correct?  
15 C. KELIHER: Correct. Yes.  
16 And the -- the court reporter has asked us not to  
17 speak over each other because he's having a hard time  
18 recording us.  
19 THE COURT REPORTER: Thank you.  
20 C. KELIHER: No problem.  
21 Q C. KELIHER: Just let us know when you're  
22 done reading that.  
23 A Okay. I read what's there. I don't know what's below.  
24 Q We'll scroll down just a little bit.  
25 A Okay. Go ahead with your question.  
26 Q Thank you.  
27 So, as noted, the MNP letter states that RBee had

1       significant holdbacks aged greater than a year, some of  
2       which were, in fact, from 2018. These holdbacks were  
3       stated to be valued at 1.37 million and that some of  
4       those holdbacks were recorded incorrectly or in  
5       duplicate, needed to be reversed, written off. Who was  
6       responsible for reviewing these holdbacks?

7     A    Ian Hogg because he was the controller that was in  
8       charge of collecting.

9     Q    So when, if ever, did you become aware that the  
10       holdbacks were aged greater than what was common in  
11       your industry?

12    A    I can't answer that because I don't have a -- a  
13       definite time frame. Excuse me.

14    Q    Was this a subject of discussion in your monthly  
15       financial meetings?

16    A    No.

17    Q    So prior to reviewing this document, were you aware  
18       that there was significant holdbacks?

19    A    There was holdbacks on jobs that were on -- still  
20       ongoing.

21    Q    But were -- were you aware that they were aged greater  
22       than was, you know, common in your industry?

23    A    Holdbacks are very common in our industry 'til a job is  
24       completed.

25    Q    Okay. Were you aware --

26    A    Whether it was 90 days or three years, there's  
27       holdbacks.

1 Q And were you aware that \$1.37 million had to be  
2 adjusted or reversed?

3 A I believe. And I only got this from the bookkeeper  
4 that was doing the books at that time that you don't  
5 bill a holdback. You put that in a separate account  
6 because then you don't have to pay the GST on the  
7 holdback until you collect it. And that's all I know  
8 about reversing and adjusting the stuff. And I don't  
9 know specifics on it. I'm sorry.

10 Q You don't have to apologize.

11 Okay. Mr. Reed, I want to move on now to talk  
12 about the related-party payment schedule, the  
13 transaction schedule that was forwarded -- I guess it  
14 would have been about two months ago. We'll show it on  
15 our screen. I believe earlier you said you have  
16 reviewed this document. I don't know if it's on the  
17 screen yet or not.

18 C. KELIHER: Is this Document 2?

19 J. MACKINNON: This would be Document 4.

20 C. KELIHER: Document 4. Okay.

21 Q C. KELIHER: So, Mr. Reed, do you see that  
22 document? It's titled "Related-Party Transaction,  
23 RPTs, RBee Aggregate Consulting Limited One-Year  
24 Lookback Period". Do you see that?

25 A Yes.

26 Q And have you seen this document before?

27 A Yes.

1 Q Thank you.

2 C. KELIHER: We'd like to mark this for  
3 identification, Document Number 4.

4 EXHIBIT D FOR IDENTIFICATION - Document  
5 titled "Related-Party Transaction, RPTs, RBee  
6 Aggregate Consulting Limited One-Year  
7 Lookback Period"

8 Q C. KELIHER: So, as discussed earlier, your  
9 counsel forwarded some documents to us yesterday which  
10 we're still in the process of reviewing and will  
11 discuss in a bit. But can you describe, again, at a  
12 high level, what services A-1 -- and we'll focus on  
13 A-1 -- that they were providing to RBee?

14 A They were supplying conveyor belting; they were  
15 supplying pressure liners; they were supplying rental  
16 equipment to subsidize the equipment. We had to do  
17 jobs because we weren't able to buy any more equipment  
18 outside of what we had purchased in the original  
19 purchase of the equipment.

20 Q Okay. Why did RBee obtain services from A-1 as opposed  
21 to some third party?

22 A Because we gave them a -- a cut rate of 70 percent of a  
23 going rate for a rental to try to help make it work.

24 Q And so correct me if I'm wrong, then. You -- did you  
25 look at the market rates for these before these  
26 contracts were entered into or the services were  
27 provided?

1     A     Yes, they did.  Yes.

2     Q     And so were there other third-party service providers  
3           out there?  And who -- who were they?

4     A     Not -- not for the equipment that we needed.

5     Q     Understood.

6     A     The specialized equipment.

7           R. RIMER:                                 And -- sorry, Mr. Keliher, to  
8           interject.  But, just for clarity, I think right now  
9           what we're talking about is strictly the equipment  
10          rentals and not stuff --

11          C. KELIHER:                               Correct.

12          R. RIMER:                                 -- that was supplied in terms  
13          of -- is that correct?  I'm just --

14     A     Yeah.  Yeah.  That's what I'm talking about.

15          R. RIMER:                                 Yeah.  We're just talking  
16          about the equipment rental that A-1 rented, so to  
17          speak, to RBee Aggregate at a cut rate.  Okay.

18          C. KELIHER:                               Yes.

19     A     Well, yes.  The -- the belting was the same.  That  
20          was -- and the liners were the same.  They weren't at  
21          fair market value.  They were at a lesser amount for  
22          the service that you get.  I don't know how to explain  
23          it other than that.

24     Q     C. KELIHER:                               How would you have figured out  
25          that they were less than fair market value?

26     A     We would not have got pricing on equipment from  
27          suppliers if they had it, what it would rent for.

1 Q Understood. So who was responsible at RBee for  
2 authorizing payments to A-1 for the services rendered?

3 A David Howells and Ian Hogg.

4 Q And you wouldn't review those payments? You were on  
5 the day-to-day operations?

6 A No, I didn't review them.

7 Q Okay. So let's --

8 A I knew what equipment was out there for me, when,  
9 so ...

10 Q Understood.

11 So looking back at the schedule, the related-party  
12 transaction schedule that's on your screen, it looks  
13 like there was a payment made for three-hundred and  
14 nine-thousand dollars, seven-hundred and -- \$309,750 on  
15 September -- it's just being pulled up here --  
16 September 22nd, 2021. Right there.

17 J. MACKINNON: Right here.

18 Q C. KELIHER: Do you see that on your  
19 screen?

20 A Yeah.

21 Q We took a look at the information provided yesterday by  
22 your counsel, and we understand that this payment was  
23 for a monthly rental in December of 2022.

24 C. KELIHER: Jess, can you pull up the  
25 document?

26 Q C. KELIHER: And so, Russ, this is one of  
27 the documents you had sent us yesterday.

1 R. RIMER: Okay.

2 C. KELIHER: It should be close to the top.

3 J. MACKINNON: To the top. Yeah.

4 Q C. KELIHER: So before we -- we get into

5 the actual agreement. So this -- this is one of the

6 documents you sent us yesterday. It's, I suppose, an

7 invoice or a payment schedule to RBee from A-1.

8 Mr. Reed, do you recognize this document?

9 A Which one are we looking at here? You haven't -- the

10 invoice?

11 Q It's -- it's one document, but there's twenty pages.

12 And this was sent from your counsel to us yesterday.

13 A Well, those lists on there would be what was -- that

14 cheque -- or the cheque number I see was paying

15 whatever those invoices were.

16 Q Understood.

17 So you do recognize this document?

18 A No, I don't, because I didn't look at every document.

19 I didn't -- I didn't have anything to do with the

20 payment.

21 Q So --

22 A That was done by other parties in our operation.

23 Q I don't want to put words in your mouth, but earlier

24 today we had talked about the documents that were

25 forwarded to -- to us from your counsel, and my

26 understanding is you said that you had reviewed all of

27 those documents and can speak to them. Is my

1 understanding incorrect?

2 A Well, it is incorrect because I don't know how many  
3 documents are there. If you pick certain ones out, I  
4 guess I could go back and look at them. But I didn't  
5 go -- I looked through what you got there, but I didn't  
6 go and look at every individual document and made  
7 notes -- I'm sorry -- on the way I answered it then. I  
8 did -- I looked at the information --

9 Q Okay.

10 A -- but I didn't pick out a given one.

11 Q Okay. That -- that's okay. We'll -- we'll mark this  
12 for identification purposes, Document Number 5.

13 EXHIBIT E FOR IDENTIFICATION - Invoice or  
14 payment schedule to RBee Aggregate Consulting  
15 Ltd. from A-1 Quality Belting Ltd.

16 Q C. KELIHER: So if we go down and we scroll  
17 through the document, one of the invoices, you'll  
18 see -- I believe it's 11922, you'll see on your screen,  
19 is for \$309,000 -- \$309,750. This is that invoice  
20 which was included in the bundle of documents forwarded  
21 to us yesterday. It should be on the right of your  
22 screen. It says: (as read)

23 Monthly rental for December 2020 as per  
24 agreement.

25 What agreement is that referring to?

26 A The blanket monthly rental agreement that we had on  
27 file for the equipment that was used for that time

1 frame for that year.

2 Q Is that --

3 A I'm not -- without going back and digging -- which I  
4 don't have the documents -- not -- I might have the  
5 documents for that. We -- we don't have anything for  
6 our RBee Aggregate, so ...

7 Q So this invoice was actually issued by A-1.

8 A Okay. I'd have to go back and review what it's for.

9 Q So the agreement -- I -- is there a written agreement?

10 A Yes.

11 Q And that agreement is between RBee and A-1?

12 A Yes.

13 C. KELIHER: Russ, I think -- perhaps we  
14 could get an undertaking to receive that agreement?

15 R. RIMER: Yes. I actually believe I  
16 have seen it, and I'm surprised we wouldn't have it.  
17 But Mr. -- I have no problem with Mr. Reed giving an  
18 undertaking to use his best efforts to look for,  
19 locate, and provide to you any written agreement which  
20 exists whereby A-1 Quality Belting Ltd. is leasing  
21 equipment to RBee Aggregate. Is that sufficient?

22 C. KELIHER: I -- minor distinction. I  
23 think it's renting versus leasing, but it's -- it's the  
24 agreement that is referenced in this invoice. If we  
25 receive a copy of that, that's fine.

26 R. RIMER: Yes. Correct.

27 C. KELIHER: Yeah.

- 1 R. RIMER: Yes. Sorry. What did I say?  
2 I meant to say A-1 is leasing.
- 3 A No, but it should be renting --
- 4 C. KELIHER: Renting.
- 5 A -- to RBee. Not leasing.
- 6 R. RIMER: Yeah. Okay. Renting. Yeah.
- 7 A It needs to be different.
- 8 C. KELIHER: Yeah. Just -- we would just  
9 like to -- we would like to see a copy of that  
10 agreement, Russ. If you've already sent it, we'll take  
11 a --
- 12 R. RIMER: Yeah. I (INDISCERNIBLE -  
13 OVERLAPPING SPEAKERS) --
- 14 C. KELIHER: We didn't -- we didn't see it  
15 in the bundle of documents.
- 16 R. RIMER: Yeah. Okay.  
17 You can say, Yes, I'll give you that undertaking.
- 18 A Yes, I will give you that undertaking.
- 19 UNDERTAKING 1 - To locate and provide any  
20 written agreement which insists whereby A-1  
21 Quality Belting Ltd. is renting equipment to  
22 RBee Aggregate Consulting Ltd.
- 23 Q C. KELIHER: So, Mr. Reed, you briefly  
24 described it. I think you called it, like, an  
25 agreement for the rental of equipment; is that right?
- 26 A That's correct.
- 27 Q And was this on a monthly basis or an annual basis?

1 A I believe it was on a monthly basis where we were  
2 working. But I'd have to go back --

3 Q Understood.

4 A -- and check. I can't remember that off the top of my  
5 head.

6 Q So do you recall what type of equipment was being  
7 rented from A-1?

8 A Yes. There was WA600 wheel loaders; there was A40  
9 Volvo rock trucks; there was wash plant equipment;  
10 there was screen -- screen plant equipment. I can't  
11 remember everything without looking up what it was, but  
12 it was a variety of equipment that we needed to  
13 supplement jobs we were doing.

14 Q So if I look at the invoice, it said it was a rental  
15 for December 2020. My understanding from -- from what  
16 you said earlier is that typically RBee would not be  
17 operating, you know, very much in November, December,  
18 or January, February. Was RBee operating in  
19 December 2020?

20 A Well, I have no idea how busy we were. I'd have to go  
21 back and look.

22 Q Okay.

23 A I need to redo that to give you an honest answer on it.

24 Q Okay. The other thing I noticed about this invoice is  
25 that it's from November 17th, 2020, which is  
26 approximately a full year prior to when it was actually  
27 paid. Do you know why there was a delay in the

1 payment?

2 R. RIMER: Can you go back to when it was  
3 paid again, Mr. Keliher? Just to go back to the very  
4 first page 'cause that's the cheque where this invoice  
5 was paid. Just so we all have a clear understanding.

6 C. KELIHER: Yeah. So it's on the first  
7 page. It appears to be September 22nd, 2021.

8 And the invoice -- Jess, if you scroll down -- was  
9 issued in December 2020.

10 Q C. KELIHER: So the question, again,  
11 Mr. Reed, is can you explain why there was the delay in  
12 making that payment?

13 A Yeah. Because it was -- accounts payable was way  
14 overdue.

15 Q Why would it have been overdue?

16 A I'm assuming that they didn't have the cash flow,  
17 according to Mr. Hogg, to pay it when it should have  
18 been due.

19 Q But -- but you don't know?

20 A I can't -- that's all I can give you for an answer.

21 Q Okay.

22 A I don't know definitely, but that's what I would say.

23 Q So let's talk about another payment. So on the  
24 related-party payment schedule, there's another payment  
25 of \$341,250 which was made on October 25th, 2021.

26 C. KELIHER: Jess, if you could pull up  
27 those documents so that Mr. Reed can take a look at

1           them.

2       Q     C. KELIHER:                   And I suppose before we get  
3           there, Mr. Reed, this is a document that was forwarded  
4           to us yesterday by your counsel.  It's similar to the  
5           last document.  Have you reviewed this?  Are you  
6           familiar with it?

7       A     I know what it is.

8       Q     Understood.

9       A     I can't tell you the specifics, but it's for equipment  
10          that was out to rent, again, for the -- for the season.  
11          I don't know exactly which equipment off of that list  
12          that we had the agreement on.

13      Q     Understood.  But --

14      A     But I can pursue that.  I can pursue that.

15      Q     You do recognize the document, though?

16      A     It's an A-1 Belting invoice to RBee Aggregate.  That's  
17          what I recognize.

18      Q     So maybe we'll walk through and you can tell us if you  
19          recognize this specific invoice.

20            C. KELIHER:                   So we'd like to mark this  
21          document for identification.  I believe it's Number 6.

22               EXHIBIT F FOR IDENTIFICATION - Invoice from  
23               A-1 Quality Belting Ltd. to RBee Aggregate  
24               Consulting Ltd. including a payment of  
25               \$341,250 made on October 25, 2021

26      Q     C. KELIHER:                   So if you go down, Jess, to  
27          the -- there's the \$341,000 payment.  So it should be

1 on the right of your screen. If you scroll up, this  
2 looks to be an invoice from A-1 to RBee again. It says  
3 "monthly rental for May 2021 as per agreement". Is  
4 this the same agreement as we spoke about previously?

5 A Yes.

6 Q Okay. And would it have been the same assets that  
7 would have been rented during -- under this agreement?

8 A It wouldn't have been all the same assets. It would  
9 have been some -- assets of the same group of assets.  
10 But it would -- wouldn't be every asset maybe. I don't  
11 know.

12 Q Understood.

13 And so, then, same question as before. The  
14 invoice is from -- it appears to be May 15th -- or --  
15 sorry -- May 2021, and it looks to have been paid in  
16 February -- is that February? -- October -- sorry -- of  
17 2021, so a five-month delay in payment. Do you know  
18 why there was the delay in the payment?

19 A Because we haven't collected the money from the client  
20 yet over that time frame. You play catch-up in this  
21 game. You start in May, and you don't see money until  
22 September -- August or September or else you don't  
23 work.

24 Q Okay. So moving on to the payment. If we look back at  
25 the related-party payment schedule, there's a payment  
26 of \$219,719 made on February 18th, 2022. It's the very  
27 last transaction on the schedule. Based on the books

1           and records of RBee, we understand that this was made  
2           in connection with a -- a loan repayment of -- of some  
3           kind. Do you -- can you speak to what loan was being  
4           repaid?

5    A    For that 219,000?

6    Q    Yes.

7    A    No, I can't, without knowing more about it.

8    Q    So did you -- did you review that payment before we  
9           started our examination today?

10   A    Not that specific one, no. I did not.

11   Q    So you -- you can't speak to what that \$219,000 relates  
12          to?

13   A    Today I cannot, no.

14          C. KELIHER:                    Okay. So we may need to,  
15          Russ, have a further examination at some point to walk  
16          through the schedule in more detail. We can have a --

17          R. RIMER:                      Certainly. Is -- is there --  
18          is there no invoice provided regarding that -- that  
19          payment?

20          C. KELIHER:                    So the information -- it could  
21          be in the bundle of documents you sent last night,  
22          Russ.

23          R. RIMER:                      Okay.

24          C. KELIHER:                    It's possible we -- we missed  
25          it. Obviously, we only had less than 12 hours or,  
26          whatever, 24 hours to review it. We'll take a look  
27          and -- and see what we can see. The information we

1       have from the books and records of RBee is that it was  
2       for a loan repayment, not -- not an -- not a -- just  
3       simply a loan.

4   Q   C. KELIHER:                   And so, Mr. Reed, just, again,  
5       so as -- you know, as we sit today, you can't comment  
6       on that payment?

7   A   No.

8   Q   Understood.

9       Okay. Moving on. So we -- we're reviewing the  
10      invoices from A-1 that were forwarded to us last night,  
11      and there's a document or an invoice -- I believe it's  
12      in September 22, 2021. Jess will pull it up if you  
13      bear with us.

14      And what it describes is consulting services that  
15      were being provided from A-1 to RBee. And I appreciate  
16      it's not on your screen yet, but it was a payment for  
17      \$25,000. What consulting services --

18   A   Every month.

19   Q   Sorry. I didn't hear that, Mr. Reed.

20   A   I'll save you the legwork. There's one every month.  
21      That's how they pay me.

22   Q   That's how you were paid?

23   A   That was agreed -- there's an agreement somewhere with  
24      Crown Capital Corporation signed by Tim Oldfield  
25      agreeing to that for a salary -- for -- instead of a  
26      salary, it was consulting through -- our --  
27      A-1 belting.

1 Q Understood.

2 So there was a -- there was an agreement in place  
3 for those payments?

4 A Yes.

5 Q C. KELIHER: And that was an agreement  
6 between you --

7 R. RIMER: (INDISCERNIBLE - OVERLAPPING  
8 SPEAKERS)

9 A I believe it was, yes.

10 Q C. KELIHER: And that was --

11 A I thought I sent them to you, but I'm not sure.

12 R. RIMER: Okay.

13 A I'm talking to Russ here about sending it to him.

14 Q C. KELIHER: And that was an -- an  
15 agreement in writing with -- I think you said Crown?

16 A Yes. Well, it was with RBee, but it was -- RBee was  
17 going to pay A-1 belting a consulting fee for my  
18 services on a monthly basis.

19 Q And that was in lieu of your salary, I think you said?

20 A Yes.

21 C. KELIHER: So, Russ, I -- I don't think  
22 we've seen that document yet either. If you could  
23 provide an undertaking to provide that, that would be  
24 great.

25 R. RIMER: Are you asking Mr. Reed to  
26 provide an undertaking to provide his best efforts to  
27 locate and provide -- top of that agreement? I don't

1 believe I've seen it.

2 You say yes to that undertaking.

3 If that's what you want, Mr. Keliher.

4 A Yes.

5 C. KELIHER: Yes, please.

6 R. RIMER: And, Mr. Court Reporter, can  
7 you please tell us how many undertakings we've given I  
8 just want to make share we're accurate. This is  
9 undertaking number ...

10 THE COURT REPORTER: Just a second.

11 R. RIMER: I believe it's 2, but I just  
12 want to confirm.

13 THE COURT REPORTER: I believe it's the second one.

14 R. RIMER: Okay.

15 UNDERTAKING 2 - To provide the agreement in  
16 writing wherein RBee Aggregate Consulting  
17 Ltd. was going to pay A-1 Quality Belting  
18 Ltd. a consulting fee for services on a  
19 monthly basis

20 Q C. KELIHER: So just -- just for the  
21 record, I believe the -- the document's on your screen  
22 now.

23 C. KELIHER: This is one of the documents  
24 that was sent to us yesterday by you, Russ.

25 R. RIMER: Yes, that would be right.

26 C. KELIHER: Yeah.

27 R. RIMER: That's correct.

1 Q C. KELIHER: You'll see on page 2 there's  
2 the reference to the -- the invoice or payments -- it  
3 is an invoice from A-1 to RBee for those consulting  
4 services for the \$25,000 payment.

5 C. KELIHER: We'll just mark that for  
6 identification. And I think it's --

7 J. MACKINNON: For everyone's benefit, this  
8 document is already marked as Exhibit 5 [sic].

9 C. KELIHER: It is marked as  
10 Exhibit 5 [sic]. Thank you, Jess.

11 (EXHIBIT PREVIOUSLY MARKED)

12 Q C. KELIHER: So, then, there's one further  
13 invoice we want to talk to you very quickly about.  
14 There's a reference to late interest payments. I  
15 believe it was from December 3rd, 2021. We'll just  
16 pull up that document for your reference.

17 So Mr. Reed, Russ, this was a document that was  
18 forwarded to us yesterday. It's another payment  
19 summary and then supporting invoices.

20 Mr. Reed, do you recognize this document?

21 R. RIMER: Just for clarity --

22 A No, I don't, but --

23 R. RIMER: Sorry to interrupt. We're  
24 looking at this -- we're looking at a cheque or a copy  
25 of the cheque issued by RBee to A-1 dated December 3,  
26 2021, referencing invoices, and I'm assuming that it  
27 has copies of all the invoices; is that correct?

1 C. KELIHER: So I think it's -- I think  
2 that's all right except it's the other way around.  
3 It's invoices from A-1 to RBee.

4 R. RIMER: Sorry. That's, yeah,  
5 cheque -- cheque issued from RBee to --

6 C. KELIHER: Yeah, I believe that's right.

7 R. RIMER: For the invoices that are  
8 referenced there and then presumably attached, yes.

9 C. KELIHER: Yeah. And, again, Russ, this  
10 is one of the documents that you had circulated --

11 R. RIMER: Yeah.

12 C. KELIHER: -- to us.

13 R. RIMER: Yeah. Correct. I understand  
14 that. So are we marking this again for identification  
15 purposes?

16 C. KELIHER: Yes, we are. And I believe  
17 it's Document 7.

18 EXHIBIT G FOR IDENTIFICATION - Cheque issued  
19 by RBee Aggregate Consulting Ltd. to A-1  
20 Quality Belting Ltd. dated December 3, 2021

21 Q C. KELIHER: So, Mr. Reed, on this  
22 document -- or in -- in this document on your screen on  
23 the right-hand page or -- it looks -- you'll be on the  
24 main page now. There are invoices -- or it's an  
25 invoice that was issued with interest payment for  
26 unpaid invoices. You can see that the total balance is  
27 for \$13,000. It looks like A-1 was charging interest

1 to RBee for amounts that weren't paid.

2 Can you speak to how interest was being calculated  
3 on these outstanding invoices?

4 A No. I cannot. I'd have to look -- I'd have to get  
5 ahold of my bookkeeper and ask her how we -- we arrived  
6 at that. I cannot answer that at this point.

7 Q Understood.

8 Would you have been involved in approving the  
9 payment of these --

10 A I don't remember. No. I wasn't involved in -- in  
11 approving the payment.

12 Q Understood.

13 Okay. So as discussed earlier today, RBee was --  
14 RBee was made aware of significant payroll and tax  
15 liabilities in the fall of 2021. That would have been  
16 the -- the audit report and the audit recommendations  
17 which we had discussed earlier.

18 Can you speak to why rental payments were being  
19 made to A-1 while there was significant tax or other  
20 liabilities outstanding?

21 A No, I cannot.

22 Q And can you -- can you speak to why arrears owing to  
23 A-1 were paid instead of those tax liabilities?

24 A No.

25 Q And I appreciate --

26 A I didn't know about the tax liabilities also.

27 That's -- I -- no.

1 Q And then same -- same question for the loan that was  
2 repaid to A-1, the -- the \$219,000 we briefly spoke  
3 about. Can you speak to why that amount was paid while  
4 the amounts outstanding with the CRA for GST and --

5 A No. No.

6 Q You can't. Okay.

7 So I'd like to move past payments made to A-1, and  
8 we'll turn to payments that were made to you in your  
9 personal capacity, Mr. Reed.

10 So if we look at the related-party transaction  
11 schedule, it looks like there were approximately  
12 91 payments made to you or separate transactions for a  
13 value of about 1.899 million. We understand from  
14 looking at the books and records of RBee that these  
15 payments were stated to be -- made to reimburse  
16 expenses made by you in your personal capacity. I  
17 understand we received a series of credit card  
18 statements, I believe, yesterday.

19 C. KELIHER: Russ, we haven't had an  
20 opportunity to review them in detail.

21 Q C. KELIHER: Mr. Reed, can you speak to  
22 what the nature of the expenses that were being  
23 reimbursed were?

24 A They were for repairs and maintenance --

25 Q Anything else?

26 A -- of the various plants and the shop.

27 Q Would --

- 1     A     To keep the business running.
- 2     Q     Would there have been any other expenses?
- 3           R. RIMER:                     I think it might be helpful
- 4           and speed matters up, Mr. Keliher, if you pulled up the
- 5           RBC Avion invoices, any bundle of them, and just pick
- 6           any random one, and it would be much easier --
- 7           C. KELIHER:                    Sure.
- 8           R. RIMER:                     -- for you to get an
- 9           explanation as to what's going on.
- 10          C. KELIHER:                    Yeah. That's a great idea,
- 11          Russ. Just pick any one.
- 12     Q     C. KELIHER:                    So can you --
- 13          R. RIMER:                     Can you make that bigger,
- 14          please, Ms. MacKinnon.
- 15          C. KELIHER:                    So for identification purposes
- 16          this document was sent to us yesterday by you, Russ.
- 17          This looks to be an RBC Avion Visa business statement
- 18          from A-1 Quality Belting Limited, and it looks like
- 19          David Howells'. And this is a statement from
- 20          October 28th to November 29th, 2021. And we -- we have
- 21          not reviewed this document yet.
- 22                 EXHIBIT H - Mr. Howells' RBC Avion Visa
- 23                 business statement from A-1 Quality Belting
- 24                 Ltd., dated October 28 to November 29, 2021
- 25     Q     C. KELIHER:                    Mr. Reed, are you familiar
- 26           with this document?
- 27     A     I'm familiar with all of these because I pay them every

1 month on a monthly basis 'cause we weren't -- we  
2 weren't able to obtain credit at any of the places  
3 because there was nobody to personal guarantee the  
4 credit without being -- without having a public  
5 identity in the ownership.

6 Q Understood.

7 A So that was the only way we could buy parts, rent  
8 equipment, rent anything, was if I did it on my --  
9 'cause I had to guarantee the credit cards personally.

10 Q So this looks to be -- well, maybe we'll get there --  
11 for -- in a second. You -- you -- you did say you  
12 recognize this document? You're very familiar with it?

13 R. RIMER: Sorry to interject,

14 Mr. Keliher. This is document number --

15 J. MACKINNON: 8.

16 C. KELIHER: I think it will be 8.

17 R. RIMER: 8, being the RBC Avion Visa  
18 statement --

19 C. KELIHER: For the period October 28th,  
20 to November 29th, 2021.

21 R. RIMER: And then it references A-1  
22 Quality Belting Ltd., an account number, and  
23 David Howells and account number.

24 C. KELIHER: Correct. So this -- this was  
25 in the -- again, Russ, we -- we haven't had an  
26 opportunity to review this in detail. I believe this  
27 was in the folder for Bernie Reed payments.

1 R. RIMER: Yes. So I --

2 C. KELIHER: Even though it says A-1.

3 R. RIMER: I just wanted it clear so when

4 we're reading it later, we know what we're looking at.

5 And, Mr. Reed, I think he can explain this. And then

6 if you pick any other random invoice --

7 C. KELIHER: Same thing.

8 R. RIMER: -- he can explain it. It will

9 have a different employee number -- this is Mr. David

10 Howells' -- but you'll see the smaller invoices are

11 issued to just another employee name. They'll get a

12 name on a card, and it'll be smaller amounts because

13 they had less expenditures, but we can explain those.

14 C. KELIHER: Understood.

15 R. RIMER: So -- yeah. Okay.

16 Q C. KELIHER: So -- so going back to

17 Mr. Reed. One of the things you were saying is that

18 somebody had to guarantee the debt, I think, is what

19 you said.

20 A To get the -- to get the credit cards.

21 Q To get the credit cards.

22 So I see that this -- this statement is issued to

23 A-1 rather than RBee. Why would that -- why would A-1

24 be receiving RBee's credit card statements?

25 A Because RBee couldn't get credit cards at the bank --

26 Q And --

27 A -- 'cause they were a new company starting out.

- 1 Q So this -- this would have been --
- 2 A I don't --
- 3 Q I apologize. I cut you off. Go ahead.
- 4 A No. You go ahead.
- 5 Q So this statement was late 2021, November 2021, and I
- 6 believe earlier you had said RBee was established in
- 7 2017.
- 8 A Yeah.
- 9 Q So in the four-year period that RBee was operating,
- 10 RBee was not able to obtain credit cards?
- 11 A That's correct.
- 12 Q And so A-1 was the one who made these purchases?
- 13 A They were put on A-1's cards, and the purchases were
- 14 made by the RBee employees.
- 15 Q So --
- 16 A David Howells, Steve Wade, Cory Hamcar, Cory Reed,
- 17 Mike Sutherland, whoever.
- 18 Q So RBee employees were carrying A-1 credit cards?
- 19 A That's correct, yes.
- 20 Q And then at the end of each month, I think as the
- 21 statement shows, A-1 would receive a statement for all
- 22 expenses for --
- 23 A Bernie Reed would receive the statement. Even though
- 24 it had A-1 belting on it, Bernie Reed received the
- 25 statement and paid them.
- 26 Q Why was that?
- 27 A 'Cause that's how the cards were set up.

1 Q I -- this is the first I've seen this document,  
2 Mr. Reed. But how come you would be receiving the  
3 documents and you would pay them even though it was  
4 issued to A-1 and -- and it looks like David Howells --

5 A It was just -- it was just a flow through. I paid it  
6 every month and then got reimbursed by RBee for the  
7 payments that I made on the cards. They were just a  
8 function of running the business without accounts set  
9 up at various vendors or hotels or whatever, as you can  
10 see when you go through the list.

11 Q Yeah. We -- we will go through it.

12 Just -- just so I'm clear -- so RBee employees  
13 would have -- would carry A-1 credit cards which they  
14 would use to purchase day-to-day items which we'll walk  
15 through in a minute. So far, so good?

16 A That's correct. Yes.

17 Q Then every month an invoice -- or a statement would be  
18 issued to A-1 and David Howells, but you, Bernie Reed,  
19 Mr. Reed, would be the one who would take it and make  
20 the payment; correct?

21 A That is -- yes.

22 Q And then you, once you made that payment, would seek  
23 reimbursement from RBee?

24 A Yes.

25 Q Okay. Understood.

26 So let's walk through some of these payments,  
27 then. So, taking a look at it -- so -- and, again,

1           this is the first time we've -- we've taken a look at  
2           this: Canadian Dewatering Edmonton, \$25,204.

3    A    Rented a water pump.

4           R. RIMER:                           He said, "Rented a water  
5           pump".

6    Q    C. KELIHER:                        You rented a water pump.

7                   So is there any agreements or, like, contracts or  
8           proof that RBee received that service?

9    A    Yes. There will be an invoice to A-1, and we -- it'll  
10       be coded to where it went on the invoice that we bought  
11       that that amount was billed to.

12   Q    Will it identify a site that RBee worked on?

13   A    It'll be a -- there will be a plant number, and each  
14       plant number represents a site at a given time.

15   Q    So I guess more broadly, then, as we go through these,  
16       how can we confirm -- or can you speak to how we can  
17       confirm that these services or these expenses were  
18       actually for RBee's benefit?

19   A    By going through the slips that are with -- each credit  
20       card statement would have the slips with it and where  
21       it got sent to.

22   Q    I'm not sure I follow, Mr. Reed.

23   A    Okay. If we rented something from Canadian  
24       Dewatering --

25   Q    M-hm.

26   A    -- that would be -- there would be a code on there  
27       that, Plant 10 at Vogel bit, or, Plant 5 at Grande

1       Prairie, or wherever it went to on whichever plant it  
2       went to.

3       R. RIMER:                   Mr. Keliher, I'm just trying  
4       to -- I'm not trying to interject here, but -- and tell  
5       me if I'm wrong here, Mr. Reed -- but the way I  
6       understood it was -- when it was first explained to me,  
7       was that when these statements came to Mr. Reed, he  
8       retired them so that no interest would ever be paid on  
9       them. Then he would submit the -- and tell me if I'm  
10      right -- right or wrong. This is the way I understand  
11      it, Mr. Reed -- he would submit, for instance, this  
12      particular RBC statement, which we've marked for  
13      identification purposes as -- as Number 8, he would  
14      submit that to RBee along with copies of the invoices  
15      related thereto.

16    A    The bookkeeping --

17       R. RIMER:                   Yeah.

18    A    -- department would have the invoices and then match it  
19       up to the Visa statement.

20       R. RIMER:                   So my understanding is that  
21       RBee's accounting department received all of the backup  
22       documentation supporting every transaction listed in  
23       here. For instance, Item Number 1. Mr. Reed says if  
24       it's from that place, it would have been a water pump.  
25       My understanding -- and tell me if I am right or wrong,  
26       Mr. Reed -- that when you submitted this RBC Visa  
27       statement to RBee's accounting department, it would

1           have attached to it the invoices?

2     A     Yes.

3           R. RIMER:                        So RBee and the receiver  
4           and/or trustee in bankruptcy has all of this  
5           information which was submitted.

6                       And was it submitted manually --

7     A     I don't --

8           R. RIMER:                        -- or electronically? You  
9           don't -- and you might not know the answer to that  
10          question.

11    A     The bookkeeper would have put it into the system and  
12          attached -- she -- she puts it in the system and  
13          attaches the invoice to the Visa statement.

14          R. RIMER:                        This is RBee's bookkeeping?

15    A     Yes.

16          R. RIMER:                        Okay.

17    A     It has nothing to do with A-1 other than the cards were  
18          in A-1's name because I could get them through the  
19          Royal Bank, because that's who I dealt with, and I went  
20          in and applied and I could get it.

21          R. RIMER:                        So my understanding,  
22          Mr. Keliher, is that all of these records in support of  
23          these statements and the invoices that Mr. Reed has  
24          told you are all for RBee's benefit is all in the  
25          receivers and/or the trustee's possession.

26    A     They took everything. When they took the books --  
27          when it went into receivership.

1           R. RIMER:                   Mr. Reed may not have the  
2           paper copies of this stuff because the receiver has  
3           this information in its possession and has had it in  
4           its position since Mr. Reed submitted all of the backup  
5           documentation to RBee.

6           C. KELIHER:                To --

7           R. RIMER:                   Those records are with the  
8           receiver.

9           C. KELIHER:                To be clear, Russ, we will --  
10          we will confirm and clarify with the receiver and the  
11          trustee. My understanding is that we do not, in fact,  
12          have those records, which partially explains why we're  
13          conducting the examination.

14          R. RIMER:                   Then my understanding is it is  
15          with the bookkeeper of RBee, wherever that person may  
16          be.

17    Q    C. KELIHER:                And so, Mr. Reed, if I  
18          understand everything that was just said, all of the  
19          invoice support, receipts --

20          R. RIMER:                   Or substantially all,  
21          Mr. Keliher. I -- I --

22          C. KELIHER:                Sure.

23          R. RIMER:                   I can't speak to everything,  
24          but -- yes.

25    Q    C. KELIHER:                Substantially all of the  
26          invoices, receipts, other supporting documents for  
27          these statements were forwarded to RBee's bookkeeper?

- 1 A Yes. On a daily, monthly basis to be attached to the  
2 Visa statement.
- 3 Q And just so I'm clear, who was that bookkeeper?
- 4 A Oh, there was -- there was Tina John, there was Coleen.  
5 It might have been Linzie. I don't know.
- 6 Q Did A-1 ever keep a copy of any of these receipts or  
7 invoices?
- 8 A Negative. Never. Because there was nothing to do with  
9 A-1 other than the name on the card.
- 10 Q Did you in your personal capacity ever maintain any of  
11 these receipts --
- 12 A No.
- 13 Q -- or invoices?
- 14 A No.
- 15 Q Did you review any of these payments as they came in  
16 and -- and --
- 17 A No.
- 18 Q -- to try -- you just received your statement and you  
19 paid it?
- 20 A I paid it, and then it was reviewed in the office by  
21 the -- signing off on it, and then I got my cheque a  
22 month -- six weeks later by the time they gathered all  
23 the stuff up and got it all done, got all the receipts  
24 in and made sure that it was right, then they would pay  
25 me. But I paid them on a monthly basis, so there was  
26 no interest accrued.
- 27 Q Understood.

1           Now, just taking a look at this invoice again,  
2           assuming it's representative of -- of all of the other  
3           invoices. If I look at it, I see --

4           R. RIMER:                   This one's an anomaly,  
5           Mr. Keliher. Just because I look at the amount and the  
6           name. Most of them are much smaller for lower-level  
7           employees. So this is --

8           C. KELIHER:                Sure.

9           R. RIMER:                   -- I think one of the bigger  
10          ones you'd see.

11          C. KELIHER:                We just picked one at random,  
12          Russ. That's all.

13          R. RIMER:                   Yeah.

14   Q     C. KELIHER:                If I look at it, for example,  
15          there's a \$236 charge for Boston Pizza. That was for  
16          company expenses?

17   A     I would say that he took the crew up there for supper  
18          or took pizzas out to the crusher. I don't know.

19   Q     Who would review that?

20   A     David Howells.

21   Q     Okay. And then, again, just a representative sample,  
22          Tim Hortons, \$47.70. Same thing?

23   A     I would say he maybe -- he might have took a customer  
24          out at Fort Nelson Boston Pizza. I have no idea.

25   Q     Okay. And then --

26   A     I don't micromanage.

27   Q     There's a TELUS mobility payment for \$4,400. What

- 1           would that be?
- 2    A    It could be a phone bill, I guess. I don't know. We  
3           would have to look it up and see what the heck it is.
- 4    Q    So it --
- 5    A    I can't answer. Maybe internet. I don't know. For  
6           internet for -- the crusher.
- 7    Q    Well, as I scroll down, there's a very large payment  
8           here: \$41,000 for Midwest Industrial Sales. Do you  
9           know --
- 10   A    Yes. There --
- 11   Q    -- what that would be for?
- 12   A    Yeah. I -- they sell -- we buy Volvo parts from them  
13           in the States for repairing our rock trucks.
- 14   Q    So that specific transaction you can't speak to other  
15           than high level?
- 16   A    No. I can speak to it totally. I just told you what  
17           it's for. It's for rock -- parts for Volvo rock trucks  
18           they're repairing in the shop. We'd have to go into  
19           the file, I guess, and see what the parts were on it  
20           and what truck they went on, but I can't speak to the  
21           definality [sic] of what truck they went on.
- 22   Q    And this would have been for RBee's benefit as well?
- 23   A    Yes. Repairing -- repairs and maintenance on the  
24           trucks.
- 25   Q    Okay. We'll need to review these in more detail. And  
26           we will take the time to go through every one of the  
27           invoice -- or the -- the statements to try to

1 understand it.

2 C. KELIHER: Russ, we may have further  
3 questions following that review, maybe not. But we --  
4 we will --

5 R. RIMER: Yeah. We understand that, and  
6 that is totally fair.

7 Q C. KELIHER: Okay. So, then, Mr. Reed,  
8 moving -- moving on, in terms of that structure of how  
9 A-1 -- you would use A-1's credit cards or the RBee  
10 employees would use A-1's credit cards, was that ever  
11 discussed with RBee's board of directors?

12 A We don't have a board of directors. I guess we have  
13 the directors, but -- I guess that's called the board  
14 of directors.

15 Q Was the --

16 A I -- I can't answer that other than to tell you that if  
17 we didn't do it, we wouldn't have operated, so we  
18 wouldn't be in this mess if they hadn't been part and  
19 parcel of us doing this.

20 Q So I'm just -- just trying to understand --

21 A We didn't start doing this stuff in 2020. This started  
22 out of the gate in 2017, and they were part and parcel  
23 of it.

24 R. RIMER: When you say "they", who do  
25 you mean?

26 A Crown corporation, Chris Johnson, Tim Oldfield.

27 Q C. KELIHER: So the directors.

1                   So the directors were aware of that --

2    A    Yes.

3    Q    -- that arrangement?

4    A    Yes.

5    Q    Okay.  So moving back to the related-party transaction  
6           schedule.

7           C. KELIHER:                   If we scroll down, Jess,  
8           there's an \$800,000 payment which Mr. Reed just spoke  
9           about earlier.  Let's find it.

10   A    No, I didn't.  But, anyway, carry on.

11   Q    C. KELIHER:                   On August 18th, 2021.  So I  
12           want to talk to you about that payment.

13   A    Yeah.

14           C. KELIHER:                   We received, Russ, from your  
15           office, an email yesterday which had some details about  
16           that specific transaction.  We'll just pull it up.  I  
17           don't know if you can see that yet or not.

18           R. RIMER:                   It's not showing up yet.  It's  
19           the big list of the attachments.

20   A    I can see the \$800,000 loan.

21           R. RIMER:                   Yeah.  I see "\$800,000 loan,  
22           MSG".  It's not open yet.  There we go.  It's coming.  
23           And can you make that, please, a little bit bigger.

24           C. KELIHER:                   Can you see it now?

25           R. RIMER:                   Yes.  And if you can make it  
26           bigger, though, please.

27                   Can you see that, Mr. Reed?

1                   We can see it now. Thank you.

2    Q    C. KELIHER:                   Thank you.

3                   So, Mr. Reed, you're familiar with this document?

4                   I think it was sent to you a week or two ago.

5    A    Yes.

6                   C. KELIHER:                   So we would like to mark this  
7                   one for identification purposes. I believe it's  
8                   Number 9.

9                   EXHIBIT I - Email from Mr. Johnson to  
10                  Mr. Rimer titled "\$800,000 Loan" dated  
11                  February 28, 2024

12   Q    C. KELIHER:                   So we just received this  
13                  yesterday. We've quickly reviewed it. Jeff Johnson,  
14                  that's your accountant from BDO; right?

15   A    Yes.

16   Q    That's who you've been referring to today?

17                  So as I read the email, it -- as -- you tell me if  
18                  I'm wrong. As I understand it, it appears that in  
19                  February 2021, there was a shortage on the CWB line of  
20                  credit and that \$300,000 needed to be immediately  
21                  injected to cover payables. I think that's the  
22                  first -- third sentence.

23                  What is the CWB line of credit?

24   A    That was our operating line at the Canadian Western  
25                  Bank.

26   Q    Okay. And it says that you: (as read)

27                  ... needed cash flow to fund the payables

1           that we had over the winter.

2           What does that mean?

3    A    You got to talk to Jeff Johnson because he did all of  
4           that with Tim Oldfield.

5    Q    So, as I read this, Tim Oldfield wouldn't have been  
6           involved until much later if I read paragraph 3  
7           starting in --

8    A    You'd have to ask Mr. Johnson that because I -- I can't  
9           answer what -- 'cause he did that.

10   Q    So you're not familiar with A-1 putting \$200,000 in on  
11          February --

12   A    Off the top of my head, I'm not.  No.

13   Q    And so --

14   A    I knew I put money in, but I couldn't tell you what  
15          date.  I knew it was 800,000 between what I put in and  
16          the 500 that I put in the same time Crown put 500 in.

17   Q    So this email was sent from your accountant to you;  
18          right?  Did you read this email?

19          R. RIMER:                   This is an email that  
20          Mr. Jeff Johnson of the BDO --

21   A    When did he send the email to me?

22   Q    C. KELIHER:                 It looks like it's dated  
23          February 28th, 2024, so I guess about -- just shy of --  
24          well, three weeks ago.

25   A    Yeah.  I -- well, I've got it now.  Yeah.  Yes.  I  
26          thought you meant back in '21.

27          R. RIMER:                   Yeah.  Mr. Reed has a copy of

1       this email in front of him in hard copy form as well.  
2       I just thought it would be --

3    A    Yeah.

4       R. RIMER:                   But -- just -- for help, I  
5       noticed this was one of the bigger transactions, so I  
6       asked Mr. Johnson to put together a summary of the  
7       details of where this \$800,000 loan came -- came from,  
8       and this is what we are looking at now, being what is  
9       referred to as Document Number 9, being Mr. Johnson's  
10      email to me copied to Mr. Reed. That's Mr. Reed's  
11      email address, "berniealbelting", explaining the  
12      transaction. So that's what we're doing.

13      C. KELIHER:                Understood.

14    Q    C. KELIHER:                So appreciating that this is  
15      from three weeks ago and is a summary provided by the  
16      accountant, as I read the email, it appears that A-1  
17      put \$200,000 into RBee in February -- on February 25th,  
18      2021, and then another hundred thousand dollars on  
19      February 26th, 2021.

20           At that time in 2021 were you familiar that those  
21      payments were being made?

22    A    Payments being made.

23    Q    Money being transferred?

24      R. RIMER:                   The original 300,000 that --

25    A    From A-1 to RBee? 'Cause that's what that is.

26    Q    C. KELIHER:                Yes.

27    A    I can't specifically say I remember that exact amount

1       on that exact date, but I knew we came up with money,  
2       and then we had to come up with another million bucks  
3       later on that summer, and that's when I told Jeff I  
4       would put up 500,000 if he would talk to Crown and see  
5       if they would put up 500,000.

6   Q    So were you --

7   A    And that's what happened.

8   Q    Were you aware in February 2021 that A-1 advanced  
9       \$300,000 to RBee?

10  A    No. I can't specifically say "yes" or "no" to that, so  
11       I've got to say "no" because I don't specifically  
12       remember that date and that money. So no.

13  Q    And can you speak to whether you knew it was to cover a  
14       line of credit?

15  A    No, I can't.

16  Q    And can you speak to the inability of RBee to fund its  
17       payables?

18  A    No.

19  Q    So this -- this transaction, you can't speak to it at  
20       all, that first \$300,000?

21  A    Not the specifics, no.

22  Q    Okay. So was there an agreement in place, a written  
23       agreement, to fund the \$300,000?

24  A    I can't answer that either because I don't know.

25  Q    So you --

26  A    I don't know.

27  Q    Earlier you said you were the sole shareholder and sole

1 director of A-1.

2 A I am.

3 Q So you're not -- does A-1 have any documents supporting  
4 the \$300,000 transfer?

5 A I'd have to -- have to research that.

6 R. RIMER: So one thing's for certain. I  
7 think you'll be able to find --

8 A Jeff Johnson would have it.

9 R. RIMER: Jeff Johnson would have it.  
10 And I'm fairly certain that it will show money,  
11 300,000, coming in and a hundred thousand and a  
12 \$200,000 tranche being advanced by A-1 --

13 C. KELIHER: Understood.

14 R. RIMER: -- to RBee.

15 So, I mean, there's a record. But -- yes. What  
16 undertaking do you want here? We'll get further  
17 particulars on that.

18 C. KELIHER: Any details supporting the  
19 \$300,000. So if there was a board approval. I -- I  
20 mean, this appears to be a shareholder loan as -- as I  
21 read it. And so directors' resolutions, a signed  
22 agreement advancing \$300,000, any sort of documentation  
23 at all supporting why or how A-1 paid RBee \$300,000.

24 A I don't know that there was one for the 500,000 either.  
25 You'd have to ask Jeff Johnson that.

26 R. RIMER: And Tim Oldfield.

27 A And Tim Oldfield. 'Cause we both put in 500,000 in

1 August.

2 Q C. KELIHER: Was there an agreement in  
3 place for that 500,000?

4 A I don't know. That's what I said. We'll have to  
5 research it.

6 Q So I -- you -- just to clarify, you don't know, as  
7 RBee's president or as A-1's director, sole director  
8 and sole shareholder, whether -- whether there was an  
9 agreement for either the 300,000 payment or the  
10 \$500,000 payment?

11 A No, I do not.

12 C. KELIHER: Okay. So, Russ, I believe you  
13 said you'd -- or we'd have an undertaking to research  
14 and provide document support to the extent it exists?  
15 Am I putting words --

16 R. RIMER: Let's (INDISCERNIBLE -  
17 OVERLAPPING SPEAKERS) --

18 C. KELIHER: -- in your mouth?

19 R. RIMER: -- the undertakings to break  
20 them out.

21 And an undertaking to check and provide details on  
22 any supporting documentation which exists for the --  
23 we'll call it the original 300,000 --

24 C. KELIHER: Sure.

25 R. RIMER: -- which in this email is  
26 broken down, 200, \$100,000. So Mr. Reed will undertake  
27 to make inquiries of his accountant and others, if

1           necessary, to find and provide that information if it  
2           exists.

3                   UNDERTAKING 3 - To check and provide details  
4                   on any supporting documentation which exists  
5                   for the \$300,000 referred to in the email at  
6                   Exhibit I

7           R. RIMER:                               And then let's create another  
8           undertaking with respect to the 500,000 'cause I  
9           believe that one, for certain, will have information in  
10          that Crown advanced 500, as did A-1, at or around the  
11          same time. So my guess is that will be fairly simple  
12          to locate. But could we create a separate undertaking  
13          for that?

14          C. KELIHER:                            Yes, of course.

15          R. RIMER:                               Say you'll give those  
16          undertakings, Mr. Reed, and I'll --

17    A    We'll give those undertakings.

18          C. KELIHER:                            Thank you.

19                   So then --

20                   UNDERTAKING 4 - To check and provide details  
21                   on any supporting documentation which exists  
22                   for the \$500,000 referred to in the email at  
23                   Exhibit I

24          R. RIMER:                               And what undertaking was that  
25          last one, then, regarding the 500,000, Mr. Court  
26          Reporter?

27          THE COURT REPORTER:                   I believe 4.

1 R. RIMER: Okay. Carry on, please.

2 Q C. KELIHER: So, then, moving through the  
3 email. So it says -- and this is leading up to the  
4 \$500,000 payment, Mr. Reed. It says sometime in  
5 June 2021, CWB called and said that they were offside  
6 the margin account and the shareholders needed to put  
7 in that extra million dollars you were referring to.  
8 And it sounds like there was an agreement between  
9 yourself and Tim Oldfield to each advance the \$500,000;  
10 is that correct?

11 A It was between -- it was between Jeff Johnson and  
12 Tim Oldfield, and I put up \$500,000 for myself. I did  
13 not have any -- anything to do with other than putting  
14 up \$500,000. I had no communication with Tim Oldfield,  
15 and Jeff Johnson at Dunwoody did all that 'cause he was  
16 the accountant.

17 Q So in this --

18 A For --

19 Q I apologize. I cut you off. Go ahead.

20 A No. I'm done.

21 Q So in this email it says -- and I'll just read it  
22 verbatim: (as read)

23 It was agreed to with Tim Oldfield and  
24 Bernie Reed that each of the shareholders  
25 would put in another \$500,000 to get the LOC  
26 back onside with CWB.

27 Do I understand what you just said to mean that you did

1 not actually come to that agreement?

2 A No, we did not. You misread that completely. I said  
3 that I would put up -- I told Jeff Johnson I would put  
4 up \$500,000, and he said that Tim Oldfield said Crown  
5 would put up \$500,000, and that's how we'd come up with  
6 the million dollars. I knew that I gave him \$500,000.

7 Q So I'm -- I'm not trying to put words in your mouth.  
8 You instructed Mr. Johnson to agree to the \$500,000  
9 payment?

10 A That made no sense what you just said. Could you  
11 please repeat it.

12 Q So I'll read the email again: (as read)

13 It was agreed to with Tim Oldfield and  
14 Bernie Reed.

15 So did you agree to it, or did you direct someone else  
16 to agree to it on your behalf, or is this email just  
17 wrong?

18 A Talk to Jeff Johnson. He wrote the email. I gave him  
19 the money. He talked to Tim Oldfield. I can't -- I  
20 can't know anything beyond that scope.

21 Q But, Mr. Reed, you'd know if you came to this agreement  
22 or not.

23 A Well, I don't understand the question of what -- what  
24 agreement you're talking to. I gave him \$500,000.  
25 Yes. I don't know what else to say to you.

26 Q So I -- I apologize if this is -- if I'm just  
27 misunderstanding it. But the way I read this email is

1           you agreed with Tim to each put \$500,000 --

2    A    No.  I didn't agree with Tim.  I agreed with Jeff.

3    Q    So you -- so you --

4    A    Enough.

5    Q    You agreed with your accountant?  You instructed your  
6           accountant --

7    A    Yes.

8    Q    -- to do this?

9           R. RIMER:                        Sorry.  Just -- Mr. Reed is  
10          becoming, obviously, a little bit irritated.  It might  
11          have something to do that we commenced these  
12          proceedings approximately three hours ago, and I think  
13          we had about a five-minute break.

14          C. KELIHER:                     We can take another break.

15    A    No.  Let's keep going.  I'm good, but I don't need to  
16          be asked the same question five times and give the same  
17          answer and get the question again.  That's all, Russ.  
18          I'm sorry.  But --

19          R. RIMER:                        That's another reason --

20    A    I'll settle down.

21          R. RIMER:                        (INDISCERNIBLE - OVERLAPPING  
22          SPEAKERS) --

23    A    I'll settle down.  I'll say "yes", "no".

24          R. RIMER:                        -- or how much time do you --  
25          current level of your -- that you think you will be  
26          proceeding further at this --

27          C. KELIHER:                     I expect we'll finish by 5 and

1 no later than 5.

2 R. RIMER: If that's the case, maybe it  
3 is appropriate for a ten-minute break right now?

4 C. KELIHER: I'm happy to do so.

5 R. RIMER: Okay. Well, let's reconvene.

6 C. KELIHER: Sounds good.

7 R. RIMER: Thank you.

8 (ADJOURNMENT)

9 Q C. KELIHER: Okay. So, Mr. Reed, before we  
10 took our brief adjournment, we were talking about the  
11 \$300,000 and \$500,000 payments. So I'll walk through  
12 this email with you, again, very quickly.

13 It says there -- and I'm just going to read  
14 verbatim: (as read)

15 Both sides agree that this was a short-term  
16 loan with interest that needs to be repaid as  
17 soon as our margin reporting was done for  
18 July 2021.

19 Are you aware that there were issues with your margin  
20 reporting at that time?

21 A Not 'til they told us that we had to come up with the  
22 money through the covenants. No.

23 Q So you were aware at that time, though, that the  
24 covenants --

25 A No.

26 Q RBee was offside with the covenants?

27 A No. Jeff told me -- I asked Jeff why we had to have it

1 afterwards, and that's what he told me.

2 Q So before --

3 A So the answer is, no, I did not know.

4 Q Before you advanced the money, you didn't know why you  
5 were advancing the money?

6 A No.

7 Q Okay. So further on in that email, it said that it was  
8 noted at that time that A-1 had put the additional  
9 \$300,000 which we were talking about earlier, and that,  
10 if you keep reading, Tim agreed that the \$300,000 would  
11 be repaid. Did you have that discussion with Tim?

12 A No.

13 Q Who -- who would have had that discussion?

14 A Jeff.

15 Q Okay.

16 A Or I'm assuming that because he was the accountant that  
17 was organizing it with the bank.

18 Q And did you oversee that at all?

19 A No.

20 Q Okay. So then if we keep moving on, it says the margin  
21 reporting was completed in August of 2021, and CWB  
22 increased the line of credit. So were you aware that  
23 the line of credit was going to get increased as part  
24 of this process?

25 A No.

26 Q Who would have been aware?

27 A Ian Hogg and Jeff.

1 Q And would --

2 A Or Ian Hogg probably -- or Jeff, 'cause Jeff was  
3 dealing with the bank.

4 Q Was this discussed with you as part of your monthly  
5 finance discussions?

6 A No. No.

7 Q So once the line of credit increased, it says -- well,  
8 I'll just read directly: (as read)

9 Once approved, the 800K to A-1 and the 500K  
10 to Crown was repaid as agreed to by all  
11 parties.

12 So once the line of credit increased, the amount was  
13 repaid; is that correct?

14 A If that's what Jeff says, yes.

15 Q Understood.

16 A He was the guy dealing with them.

17 Q Okay. So, then, if I -- if I understand it, then --  
18 and I'm not trying to put words in your mouth,  
19 Mr. Reed -- you weren't familiar, or you didn't  
20 understand why the \$300,000 was being requested; only  
21 that it was being requested, and so A-1 paid it?

22 A So we can keep operating. I didn't know why. That was  
23 out of my ballpark. That was Ian and Jeff and the  
24 bank.

25 Q And then --

26 A To the best of my knowledge.

27 R. RIMER: What do you mean Ian --

1 A Ian Hogg.

2 Q C. KELIHER: And then, again, the exact  
3 same thing with the additional million dollars that was  
4 split 500 and 500?

5 A Yes. But you'd have to ask Jeff that 'cause my -- we  
6 do indeed -- he told me we needed a million bucks, so I  
7 said I'll give 500, and he said -- Tim said he'd give  
8 500, so that's what we did.

9 Q And then the amount was repaid in August of 2021?

10 A According to this, yes.

11 Q But you're not independently aware that the amount was  
12 repaid to you -- or repaid to A-1? Sorry.

13 R. RIMER: What was the question again,  
14 Mr. Keliher?

15 A The question was I wasn't aware that the 800 was  
16 repaid.

17 Yes, I was aware it was repaid.

18 Q C. KELIHER: Okay. So during that  
19 period -- well, I'll pull back. Was that repayment  
20 ever discussed with the board of directors?

21 A Not by me, no.

22 Q And are you aware that it was ever approved by the  
23 board of directors?

24 A No.

25 Q And are you aware that there's any meeting minutes or  
26 resolutions or authorizations from the board of  
27 directors to repay that amount?

1 A No.

2 Q And that's an amount both to you or to -- to Crown,  
3 you're not aware?

4 A No.

5 Q So in this document -- or in this email it said the  
6 agreement was between A-1 -- or, well, payment came  
7 from A-1. Our understanding -- and I believe we -- we  
8 can pull up records -- is that the \$800,000 payment was  
9 actually made to you in your personal capacity.  
10 That -- that's what you would have seen in the  
11 schedule. Why was the payment made to you rather than  
12 to A-1?

13 A You'll have to ask Mr. Johnson.

14 Q So you -- you personally do not know?

15 A No, I don't. No.

16 R. RIMER: It might be helpful -- sorry  
17 to interject again, but let's find out if the money was  
18 actually issued to Bernie Reed and his personal balance  
19 or to A-1 or if it was issued to one of the two where  
20 the money was deposited, because I think you're going  
21 to find that when \$800,000 was repaid to Mr. Reed  
22 personally or to A-1 --

23 A Yeah, it was A-1.

24 R. RIMER: So it was paid to A-1 and not  
25 to Bernie even though -- that's what I'm trying to  
26 isolate here. Let's find out.

27 C. KELIHER: So --

1 R. RIMER: You said that it's an \$800,000  
2 payment to Mr. Reed, and we want to find out if the  
3 money was repaid -- first of all, who was it advanced  
4 by? It appears it was advanced by A-1 to RBee. Next,  
5 when the monies were repaid, was it repaid to A-1 or to  
6 Bernie? Let's find out where it went. I know  
7 what you're --

8 A I know -- I know where it went.

9 R. RIMER: So where did it go, Mr. Reed?

10 A To A-1 Quality Belting.

11 R. RIMER: So it went to A-1 Quality  
12 Belting and not to Bernie Reed personally. And I'm  
13 guessing we'll also find that, on or about the same  
14 date, \$500,000 was paid to Mr. Oldfield, a director of  
15 RBee, who I'm guessing agreed to that and would also  
16 have information pertaining to whether or not there are  
17 directors' resolutions or anything to that effect in  
18 place.

19 C. KELIHER: So what I can tell you is  
20 we've seen a cheque paid from RBee to Bernie Reed in  
21 his personal capacity, not to A-1. And we can share --  
22 I don't think I have a copy immediately in front of me,  
23 but we can certainly undertake to provide a copy to  
24 you, Russ, after the conclusion of the examination.

25 R. RIMER: Please do.

26 UNDERTAKING 5 - To provide a copy of the  
27 cheque paid from RBee Aggregate Consulting

1           Ltd. to Mr. Reed in his personal capacity,  
2           not to A-1 Quality Belting Ltd.

3           R. RIMER:                   And what Mr. Reed will  
4           undertake to do is find out where that \$800,000 was  
5           deposited.

6    A    I've got where it was deposited because my bookkeeper  
7           told me.

8           R. RIMER:                   And where was that deposited,  
9           Mr. Reed?

10   A    To A-1.

11          R. RIMER:                   Okay.

12   A    And it was to repay the shareholder loan. We  
13           reimbursed the shareholder -- put a shareholder loan  
14           back in 'cause I took the shareholder loan out to pay  
15           the 300 -- the 100, 200, and the 500. That was  
16           repaying the shareholder loan. And then when the money  
17           came back, it went back in as repayment.

18          R. RIMER:                   So your answer is the  
19           \$800,000, notwithstanding the cheque they say that they  
20           will provide to us as payable to you, that it  
21           ultimately went into the account --

22   A    Of --

23          R. RIMER:                   -- of A-1.

24           Is that sufficient for your answer, Mr. Keliher?

25          C. KELIHER:                Yes, I believe so.

26   Q    C. KELIHER:                So at the time of this  
27           repayment which would have been in August of 2021,

1 Mr. Reed, were you aware of the tax, GST, employment  
2 obligations owing to the CRA?

3 A No.

4 Q Okay. So, Mr. Reed, I'd like to talk to you now about  
5 125 Alberta and payments that were made to 125 Alberta.  
6 And we can -- if we can pull up the schedule. You can  
7 scroll to the top.

8 So can you see your screen, Mr. Reed? Do you see  
9 the -- the payment schedule?

10 A Yeah.

11 R. RIMER: "Yes" or "no", Mr. Reed.

12 A Yes.

13 Q C. KELIHER: So there's a series of  
14 payments made there you can see under the column  
15 "125 Alberta" totalling \$924,000 in 11 separate  
16 transactions.

17 Mr. Reed, I understand that 125 Alberta entered  
18 into a lease agreement with -- with RBee for the lease  
19 property in Sturgeon County; is that correct?

20 A Yes.

21 Q And I -- I believe that's referred to as the "Gibbons  
22 Yard"?

23 A Yes.

24 Q And are you familiar with the lease agreement between  
25 RBee and 125 Alberta?

26 A Yes.

27 Q Perfect. So RBee was a tenant under that lease; is

1           that correct?

2     A     Yes.

3     Q     And 125 was the landlord?

4     A     Yes.

5     Q     And our understanding is that the rent payable is  
6           \$80,000 a month under that lease agreement?

7     A     Yes.

8     Q     How was that \$80,000 a month determined?

9     A     That was determined at the outset between  
10          Chris Johnson, Tim Oldfield, and myself, and it was  
11          just a spinoff, exactly the same rent that Petrowest  
12          paid for that shop when they were operating as  
13          Petrowest.

14    Q     Were -- was the lease agreement similar to the  
15          Petrowest agreement or identical to the Petrowest  
16          agreement?

17    A     Identical.

18    Q     Understood.

19                 So, based on the lease agreement, it appears that  
20          monthly rent was payable on the first day of each month  
21          during the term of the lease. Did RBee generally make  
22          payments at the start of the month? Do you know?

23    A     I don't know because that was a bill -- that was a bill  
24          that was sent by our -- by 125's bookkeeper, and I  
25          didn't have anything to do with that company and  
26          getting paid, and it just was paid when it was paid,  
27          and nobody chased it if it wasn't paid.

1 Q So --

2 A Because they always made it up. It was the same when  
3 it was Petrowest for seven years or whatever it was.

4 Q Understood.

5 So if you look at the schedule -- and I -- I think  
6 I know your answers to these questions. There are --  
7 there are 11 payments listed in that schedule, and the  
8 payment dates range from June 2nd, 2021, to  
9 February 22nd, 2022. In total, there are nine months  
10 or just shy of nine months during that period, but it  
11 appears that there were multiple payments made in  
12 several of those months. In fact, there's 11 --  
13 11 transactions. Can you explain why there were two  
14 payments made in June 2021?

15 A Yeah. It's right on the cheque, the position -- or on  
16 the transfer, whether it was a cheque or whether it was  
17 a direct deposit. It says on the transfer of money,  
18 payment for such and such a month.

19 Q So were -- were these catch-up payments?

20 A Yes.

21 Q And so what about in August of 2021? Same thing?

22 A Yes.

23 Q And what about in February of 2022?

24 A Yes.

25 Q So the reason why there are multiple months with  
26 multiple payments is because RBee didn't pay,  
27 historically, amounts at the start of the month?

1 A Yes.

2 Q Okay.

3 A That's what we're referring to here?

4 R. RIMER: No. We're looking at the 125.

5 A Oh, okay.

6 C. KELIHER: Do you need a minute?

7 R. RIMER: I'm just trying to expedite

8 things. Can we go off the record for a second?

9 C. KELIHER: Sure.

10 (DISCUSSION OFF THE RECORD)

11 Q C. KELIHER: All right. Welcome back.

12 So, as I understand it, there's a couple of

13 payments made in June, August, and February. Those

14 appear to be catch-up payments from, you know, prior

15 months.

16 C. KELIHER: Russ, I understand that

17 documents were forwarded to us yesterday which will

18 help articulate that. We will review those documents,

19 and we'll refer if we have any further questions.

20 Okay?

21 Q C. KELIHER: So, Mr. Reed, I'd like to take

22 you now to the rental shop or -- sorry -- the Fisher

23 payments which I understand were for -- you know,

24 payments related to a rental shop. Can you see this

25 schedule on your screen?

26 A Yes.

27 Q So there was a series of payments made to

1 Ms. Janet Fisher. I believe there's five of them  
2 totalling \$36,750. As I just said, based on the books  
3 and records of the trustee, it appears that these  
4 payments relate to the rental of something called the  
5 "Wembley Yard"?

6 A Yes.

7 Q Can you explain what the Wembley Yard is?

8 A It's sixty (INDISCERNIBLE) shop on it at Wembley that  
9 we had before we moved to Edmonton in 2013, and we  
10 retained it when we moved to Fort Saskatchewan for  
11 parking equipment, repairing equipment in Wembley,  
12 Grande Prairie, or -- 'cause we work up there quite a  
13 bit.

14 Q Okay. And so how long -- I think you might have just  
15 answered this -- has RBee actually been renting the  
16 Wembley Yard?

17 A Since 2006. And then they just --

18 R. RIMER: Sorry. He asked -- he asked  
19 if RBee was renting it.

20 A Well, RBee Crushing had it until --

21 R. RIMER: Until RBee Aggregate.

22 A -- until RBee Aggregate became involved in 2017.

23 Q C. KELIHER: Got it.

24 A So they just assumed the rental property up there the  
25 same as they assumed the rental property at Gibbons.

26 Q And so --

27 A And that was agreed upon.

1 Q Based on the documents circulated yesterday -- and I  
2 don't have them in front of me -- my understanding is  
3 that invoices were actually issued by Ms. Janet Fisher  
4 to RBee --

5 A No, they weren't. They were issued by her bookkeeper.

6 Q On behalf of Ms. Fisher, though; right?

7 A Yes, that's correct.

8 Q Understood.

9 So was there a contract or other agreement between  
10 RBee and -- and Ms. Fisher for -- for this property?

11 A No. It was just an assumption on what was going on  
12 prior to.

13 Q So nothing in writing?

14 A Nothing in writing on that property. Just on the one  
15 at Gibbons.

16 Q Okay. And has the rent for the entire period been  
17 \$7,000 per month?

18 A It was that since 2006.

19 Q And so it's -- you know, as at the date of the  
20 receivership, would it have been the same, \$7,000?

21 A Yeah. But it was never paid after that date, so it's  
22 kind of irrelevant.

23 Q Understood.

24 C. KELIHER: So as discussed earlier, I  
25 think we'll -- we'll take a short break, and we will  
26 return, say, in ten minutes. Does that sound good,  
27 Russ?

1 R. RIMER: Certainly. We'll see you  
2 then.

3 C. KELIHER: Thanks.

4 (ADJOURNMENT)

5 Q C. KELIHER: So, Mr. Reed, we actually have  
6 no further questions for you today. We are going to  
7 review the materials that were forwarded to us  
8 yesterday, and it is possible that we could have some  
9 further questions arising after that -- that review.

10 Similarly, once we receive the documents from the  
11 undertakings, we may have some further questions, but  
12 today that's -- that's it.

13 So thank you for your time today, Mr. Reed.

14 C. KELIHER: Russ, I'm sure we'll be in  
15 touch.

16 (WHICH WAS ALL THE EVIDENCE TAKEN AT 4:43 PM)

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1 CERTIFICATE OF TRANSCRIPT:

2

3 I, Derek Lopez, certify that the foregoing pages  
4 are a complete and accurate transcript of the  
5 Proceedings conducted in accordance with the Alberta  
6 Protocol for Remote Questioning taken down by me in  
7 shorthand and transcribed from my shorthand notes to  
8 the best of my skill and ability.

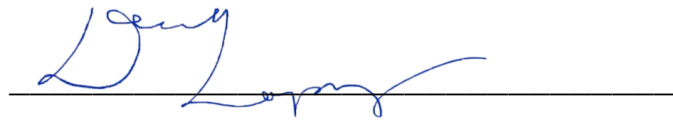
9 Dated at the City of Edmonton, Province of  
10 Alberta, this 1st day of April 2024.

11

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14



15 Derek Lopez, CSR(A), RPR

16 Official Court Reporter

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EXHIBIT A FOR IDENTIFICATION -  
Application for Court/Estate File Number  
25-2831494, filed August 17, 2023

9

EXHIBIT B FOR IDENTIFICATION - RBee 44

Aggregate Consulting Ltd. financial  
statements dated April 30, 2021

EXHIBIT C FOR IDENTIFICATION - Letter 57  
from MNP LLP directed to Mr. Howells of  
RBee Aggregate Consulting Ltd. dated  
November 5, 2021

EXHIBIT D FOR IDENTIFICATION - Document 69  
titled "Related-Party Transaction, RPTs,  
RBee Aggregate Consulting Limited  
One-Year Lookback Period"

1	EXHIBIT E FOR IDENTIFICATION - Invoice or	73
2	payment schedule to RBee Aggregate	
3	Consulting Ltd. from A-1 Quality Belting	
4	Ltd.	
5		
6	EXHIBIT F FOR IDENTIFICATION - Invoice	78
7	from A-1 Quality Belting Ltd. to RBee	
8	Aggregate Consulting Ltd. including a	
9	payment of \$341,250 made on October 25,	
10	2021	
11		
12	EXHIBIT G FOR IDENTIFICATION - Cheque	85
13	issued by RBee Aggregate Consulting Ltd.	
14	to A-1 Quality Belting Ltd. dated	
15	December 3, 2021	
16		
17	EXHIBIT H - Mr. Howells' RBC Avion Visa	88
18	business statement from A-1 Quality	
19	Belting Ltd., dated October 28 to	
20	November 29, 2021	
21		
22	EXHIBIT I - Email from Mr. Johnson to	102
23	Mr. Rimer titled "\$800,000 Loan" dated	
24	February 28, 2024	
25		
26		
27		

1                   OBJECTIONS ENTERED IN THE QUESTIONING OF  
2                                   BERNIE ALLAN REED  
3                                   MARCH 20, 2024

4

5

PAGE NUMBER:

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7

(OBJECTION)

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(Undertakings are inserted and indexed as a courtesy service to be utilized at the discretion of counsel. They are interpretations by the court reporter and it is requested counsel refer to the appropriate page to ensure accuracy)

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1	UNDERTAKING 3 - To check and provide	108
2	details on any supporting documentation	
3	which exists for the \$300,000 referred to	
4	in the email at Exhibit I	
5		
6	UNDERTAKING 4 - To check and provide	108
7	details on any supporting documentation	
8	which exists for the \$500,000 referred to	
9	in the email at Exhibit I	
10		
11	UNDERTAKING 5 - To provide a copy of the	117
12	cheque paid from RBee Aggregate	
13	Consulting Ltd. to Mr. Reed in his	
14	personal capacity, not to A-1 Quality	
15	Belting Ltd.	
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Exhibits				
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## Z

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**Exhibit:** A for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)

B201-831494

COURT/ESTATE FILE  
NUMBER: 25-2831494

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PROCEEDINGS IN THE MATTER OF THE BANKRUPTCY OF RBEE  
AGGREGATE CONSULTING LTD.

APPLICANT FTI CONSULTING CANADA INC., SOLELY IN ITS CAPACITY AS  
LICENSED INSOLVENCY TRUSTEE OF THE BANKRUPT  
ESTATE OF RBEE AGGREGATE CONSULTING LTD.

RESPONDENTS A-1 QUALITY BELTING LTD.  
1258311 ALBERTA LIMITED  
BERNIE REED  
JANET FISHER

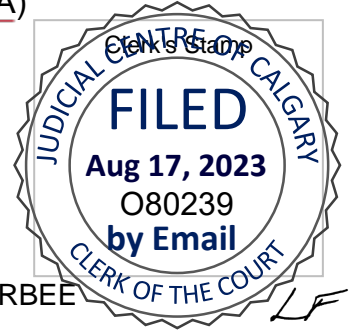
DOCUMENT **APPLICATION (Reviewable Transactions)**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

BLAKE, CASSELS & GRAYDON LLP  
3500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4J8

Attention: Kelly Bourassa / Christopher Keliher  
Telephone: 403-260-9697 / 403-260-9760  
Facsimile: 403-260-9700  
Email: [kelly.bourassa@blakes.com](mailto:kelly.bourassa@blakes.com) /  
[christopher.keliher@blakes.com](mailto:christopher.keliher@blakes.com)

Counsel to FTI Consulting Canada Inc., solely in its capacity as  
Licensed Insolvency Trustee of the bankrupt estate of RBee  
Aggregate Consulting Ltd.  
File Ref.: 79294/18



## NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: To be determined - Adjourned Sine Die  
Time: To be determined - Adjourned Sine Die  
Where: Calgary Courts Centre  
Before: A Justice of the Court of King's Bench (Commercial)

Go to the end of this document to see what you can do and when you must do it.

**Remedy claimed or sought:**

1. FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the trustee in bankruptcy (the "**Trustee**") of the estate of RBee Aggregate Consulting Ltd. ("**RBee**" or the "**Company**" or the "**Bankrupt**"), seeks an order:

- (a) declaring that each of A-1 Quality Belting Ltd. ("**A-1**"), 1258311 Alberta Limited ("**125 AB**"), Bernie Reed, and Janet Fisher (collectively, the "**Related Parties**"), as applicable, received from the Bankrupt:
  - (i) a preference or preferences within the meaning of section 95 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**");
  - (ii) one or more gifts, conveyances, assignments, transfers, deliveries over or payments of goods, chattels or effects or of bills, bonds, notes or securities or of shares, dividends, premiums or bonus in any bank, company or corporation, or of any other property, real or personal, made, within the meaning of the *Fraudulent Preferences Act*, RSA 2000, c F-24 (the "**FPA**"); and
  - (iii) one or more fraudulent transfers or fraudulent conveyances within the meaning of the *Statute of Elizabeth*, 1571 (UK), 13 Eliz 1, c 5 (the "**SOE**"), as applicable;

(each a "**Preferential Transaction**" and, together the "**Preferential Transactions**");

- (b) directing each of A-1, 125 AB, Bernie Reed, and Janet Fisher, as applicable, to return the value of the Preferential Transactions (with particulars to be provided), to the Bankrupt's estate;
- (c) costs of this application; and
- (d) granting such further and other relief as counsel may request and this Honourable Court may deem appropriate.

**Grounds for making this Application:**

2. RBee was incorporated in the Province of Alberta on or around September 13, 2017.

3. RBee's primary business was the operation of gravel crushing plants in various pits and construction sites across Alberta and British Columbia. By the end of 2021, RBee's operations were shut down and the majority of employees laid off. RBee did not secure operating contracts for the 2022 construction season.

4. On March 11, 2022, Crown Capital Partner Fund LP, by its manager, Crown Private Credit Partners Inc. (together, "**Crown Capital**"), a senior secured lender of RBee, sought and obtained a receivership order (the "**Receivership Order**") against RBee from the Court of King's Bench of Alberta (the "**Court**"). The Receivership Order appointed FTI as the Court appointed receiver of RBee's assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

5. On May 18, 2022, Crown Capital sought and obtained a bankruptcy order (the "**Bankruptcy Order**") against RBee from the Court. The Bankruptcy Order appointed FTI as Trustee.

6. Based on a review of the limited books and records available to the Trustee, the Trustee has identified approximately 294 payments, valued at approximately \$6,012,087, made from the Bankrupt to the Related Parties (the "**Related Party Transactions**"). The Related Party Transactions were made within one year of RBee's bankruptcy and at a time the Bankrupt knew or ought to have known that it was insolvent, in insolvent circumstances, or was otherwise on the eve of insolvency.

7. The Related Party Transactions include, among other items, related party shareholder loan repayments, related party expense reimbursements, and related party rental payments.

8. Based on the information reviewed to date, the Trustee is of the view that the Related Party Transactions: (a) were made with a view to giving the Related Parties a preference over RBee's other creditors, (b) had the effect of giving the Related Parties a preference over RBee's other creditors, or (c) were made with the intent to defraud, hinder, or delay RBee's creditors, and that the Related Party Transactions had that intended effect.

9. Accordingly, the Applicant anticipates seeking an order or orders from this Court that the Related Party Transactions are void as against the Trustee and that the total value of the Related Party Transactions as determined by the Court be returned to the Bankrupt's estate.

**Material or evidence to be relied on:**

10. The Trustee intends to rely upon the following materials:

- (a) a report of the Trustee, to be filed;
- (b) transcripts from *BIA* section 163 examinations of the Related Parties, to be completed; and
- (c) such other materials as counsel may advise and this Honourable Court may permit.

**Applicable Rules:**

11. The Trustee intends to rely on the following Rules:

- (a) *Alberta Rules of Court*, AR 124/2010, as amended, and in particular Rules 1.3, 6.3, 6.4, 11.27, 13.5.

**Applicable Acts and regulations:**

12. The Trustee will rely upon and refer to the provisions of:

- (a) the *BIA* including section 95 thereof;
- (b) the *FPA* including sections 1, 2, and 3 thereof;
- (c) the *SOE*; and
- (d) such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

**Any irregularity complained of or objection relied on:**

13. None.

**How the Application is proposed to be heard or considered:**

14. To be determined.

AFFIDAVIT EVIDENCE IS REQUIRED IF YOU WISH TO OBJECT.

**WARNING**

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

**Exhibit:** B for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)

**RBee Aggregate Consulting Ltd.**  
**Financial Statements**  
*April 30, 2021*

To the Shareholders of RBee Aggregate Consulting Ltd.:

### Opinion

We have audited the financial statements of RBee Aggregate Consulting Ltd. (the "Company"), which comprise the balance sheet as at April 30, 2021, and the statements of loss and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta

November 5, 2021

*MNP LLP*

Chartered Professional Accountants

**RBee Aggregate Consulting Ltd.**  
**Balance Sheet**  
*As at April 30, 2021*

	2021	2020
<b>Assets</b>		
<b>Current</b>		
Accounts receivable (Note 3), (Note 12)	9,517,820	8,390,739
Prepaid expenses and deposits	29,483	-
	<b>9,547,303</b>	8,390,739
<b>Equipment (Note 4)</b>	<b>43,102,202</b>	46,851,855
	<b>52,649,505</b>	55,242,594
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 5)	74,988	89,947
Operating line of credit (Note 5)	3,198,763	4,444,288
Accounts payable and accruals	1	-
Trade and other payables (Note 6), (Note 12)	6,045,379	1,771,878
Advances from A1 Quality Belting Ltd. (Note 12)	619,771	582,421
Term loans due on demand (Note 5), (Note 7)	9,920,630	11,749,722
Current portion of capital lease obligations (Note 8)	1,680,052	1,571,604
	<b>21,539,584</b>	20,209,860
<b>Capital lease obligations (Note 8)</b>	<b>2,999,222</b>	4,558,505
<b>Advances from shareholders (Note 9)</b>	<b>25,628,630</b>	24,149,808
<b>Future income taxes payable</b>	<b>1,747,000</b>	2,616,000
	<b>51,914,436</b>	51,534,173
<b>Commitments (Note 10)</b>		
<b>Shareholders' Equity</b>		
<b>Share capital (Note 11)</b>	2	2
<b>Retained earnings</b>	<b>735,067</b>	3,708,419
	<b>735,069</b>	3,708,421
	<b>52,649,505</b>	55,242,594

Approved on behalf of the Board of Directors

*signed by "David Howells"*

\_\_\_\_\_  
Director

**RBee Aggregate Consulting Ltd.**  
**Statement of Loss and Retained Earnings**  
*For the year ended April 30, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b> (Note 12)	<b>34,577,201</b>	<b>37,473,565</b>
<b>Cost of sales</b>		
Wages and benefits	<b>6,393,544</b>	6,651,157
Fuel	<b>5,121,023</b>	5,919,864
Supplies, repairs and maintenance (Note 12)	<b>4,986,462</b>	5,799,854
Subsistence and camp costs	<b>3,551,615</b>	3,979,793
Equipment rental costs (Note 12)	<b>2,576,961</b>	2,590,127
Subcontract fees	<b>1,506,558</b>	1,348,851
Belting (Note 12)	<b>1,179,911</b>	1,300,159
Screens	<b>451,862</b>	523,000
Testing costs	<b>178,262</b>	387,480
Gravel hauling costs	<b>17,550</b>	-
	<b>25,963,748</b>	28,500,285
<b>Gross margin</b>	<b>8,613,453</b>	8,973,280
<i>Gross margin as a percentage of revenue</i>	<b>24.9 %</b>	23.9 %
<b>General and administrative expenses</b> (Note 12) (Schedule 1)	<b>7,628,579</b>	5,359,104
<b>Operating earnings before amortization and interest</b>	<b>984,874</b>	3,614,176
<b>Amortization and interest expense (income)</b>		
Amortization of equipment	<b>2,802,189</b>	3,092,329
Interest on loans (Note 12)	<b>2,321,565</b>	2,425,486
Interest and bank charges	<b>134,245</b>	170,384
	<b>5,257,999</b>	5,688,199
<b>Loss from operations</b>	<b>(4,273,125)</b>	(2,074,023)
<b>Other income (expense)</b>		
Canada Emergency Wage Subsidy (Note 14)	<b>1,302,542</b>	170,551
Misappropriation loss	<b>(203,075)</b>	-
Gain (loss) on disposal of equipment	<b>(668,694)</b>	56,883
	<b>430,773</b>	227,434
<b>Loss before income tax</b>	<b>(3,842,352)</b>	(1,846,589)
<b>Recovery of income taxes</b>	<b>(869,000)</b>	(766,697)
<b>Net loss</b>	<b>(2,973,352)</b>	(1,079,892)
<b>Retained earnings, beginning of period</b>	<b>3,708,419</b>	4,788,311
<b>Retained earnings, end of period</b>	<b>735,067</b>	3,708,419

The accompanying notes are an integral part of these financial statements

**RBee Aggregate Consulting Ltd.**  
**Statement of Cash Flows**  
*For the year ended April 30, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Net loss	(2,973,352)	(1,079,892)
Amortization of equipment	2,802,189	3,009,647
Recovery of future income taxes	(869,000)	(766,697)
Gain (loss) on disposal of equipment	668,694	(56,883)
Non-cash interest on advances to shareholders (Note 9)	1,478,822	425,000
	1,107,353	1,531,175
Changes in working capital accounts		
Accounts receivable	(1,127,081)	(671,847)
Prepaid expenses and deposits	(29,483)	42,832
Trade and other payables	4,273,501	(504,119)
Wages payable	1	-
	4,224,291	398,041
<b>Financing activities</b>		
Advances of term loans due on demand	1,091,250	6,530,000
Repayments of term loans due on demand	(2,920,342)	(3,471,945)
Advances from A1 Quality Belting Ltd.	643,447	582,421
Repayment of advances from A1 Quality Belting Ltd.	(606,097)	-
Advances (repayments) in operating line of credit, net of repayments (advances) (Note 5)	(1,245,525)	2,029,600
Repayments of capital lease obligations	(1,515,710)	(1,964,883)
	(4,552,977)	3,705,193
<b>Investing activities</b>		
Purchases of equipment	(478,089)	(3,419,888)
Proceeds on disposal of equipment	821,734	397,385
	343,645	(3,022,503)
<b>Decrease (increase) in cash deficiency</b>	14,959	1,080,731
<b>Cash deficiency, beginning of period</b>	(89,947)	(1,170,678)
<b>Cash deficiency, end of period</b>	(74,988)	(89,947)
<b>Cash deficiency is composed of:</b>		
Cheques issued in excess of deposits on hand	(74,988)	(89,947)

**1. Incorporation and operations**

RBee Aggregate Consulting Ltd. (the "Company") was incorporated in the Province of Alberta on September 13, 2017. The Company provides mobile gravel crushing services in Western Canada.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises set out in Part II of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Revenue recognition***

Gravel crushing revenue is recognized as the services are performed. Management assesses the business environment, customers' financial condition, historical collection experience, accounts receivable aging and customer disputes to determine whether collectability is reasonably assured. If collectability is not considered reasonably assured at the time of sale, the Company does not recognize revenue until collection occurs.

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks, including temporary overdrafts, and short-term investments with maturities of three months or less.

***Equipment***

Equipment is initially recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Automotive	declining balance	20 %
Equipment	declining balance	5 %

In the year of acquisition, amortization is recognized for the portion of the period the asset was in use.

***Long-lived assets***

Long-lived assets consist of equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in loss for the year.

***Leases***

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized using the straight-line method, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

***Government assistance***

Claims for assistance under various government subsidy programs are recorded in other income when eligibility criteria for the assistance has been met and collection is reasonably assured.

**2. Significant accounting policies** *(Continued from previous page)*

***Income taxes***

The Company accounts for income taxes using the future income taxes method. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of equipment.

The calculation of future income tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

***Financial instruments***

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, except certain financial assets and liabilities originated and issued in a related party transaction measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 12). At initial recognition, the Company may irrevocably elect to subsequently measure any financial instrument at fair value. The Company has not made such an election during the year.

The Company subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to financial instruments subsequently measured at fair value are immediately recognized in net loss. Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Company assesses impairment of all its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year loss.

**3. Trade and other receivables**

	<b>2021</b>	<b>2020</b>
Trade receivables	<b>8,184,129</b>	3,687,939
Holdbacks receivable	<b>1,659,268</b>	4,702,798
Misappropriated funds receivable	<b>266,749</b>	-
Share receivables	<b>2</b>	2
	<b>10,110,148</b>	8,390,739
Allowance for doubtful accounts	<b>(592,328)</b>	-
	<b>9,517,820</b>	8,390,739

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**4. Equipment**

			<b>2021</b>	<b>2020</b>
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Automotive	<b>4,202,705</b>	<b>2,163,885</b>	<b>2,038,820</b>	2,814,304
Equipment	<b>48,085,273</b>	<b>7,021,891</b>	<b>41,063,382</b>	44,037,551
	<b>52,287,978</b>	<b>9,185,776</b>	<b>43,102,202</b>	46,851,855

During the year, equipment was acquired at an aggregate cost of \$478,089 (2020 - \$3,419,888), of which \$nil (2020 - \$nil) was acquired by means of capital leases and \$478,089 (2020 - \$3,419,888) was acquired in cash.

Included in equipment are assets under capital lease with a cost of \$6,866,676 (2020 - \$10,435,270) and accumulated amortization of \$739,102 (2020 - \$1,309,555).

**5. Bank indebtedness**

The Company's credit facilities with Canadian Western Bank include access to a demand revolving loan and demand operating loan, authorized to a maximum of \$15,000,000 and \$10,000,000, respectively. Borrowings under these facilities bear interest at prime plus 1.25% (2020 - prime plus 1.0%). At April 30, 2021, \$9,920,630 (2020 - \$11,749,722) had been drawn on the revolving facility (Note 7) and \$3,198,763 (2020 - \$4,444,288) had been drawn on the demand operating loan. Bank indebtedness consists of outstanding cheques in excess of deposits.

Included in the credit facilities noted above with Canadian Western Bank is a letter of credit facility available up to \$1,000,000, of which \$nil (2020 - \$nil) was committed as at April 30, 2021.

These facilities are secured by a General Security Agreement providing a first security interest in all present and after acquired equipment; and assignment and postponement of claim from the shareholders, a Capital Call Agreement in the amount of \$1,000,000 each from each of the shareholders and an assignment of insurance proceeds.

The credit facilities are subject to certain financial covenants with respect to cash flow coverage ratio, debt to tangible net worth ratio, and current ratio. As of April 30, 2021, the Company has not met all covenants.

Advances and repayments on the line of credit are shown on a net basis in the statement of cash flows as it is impracticable to determine the gross transactions.

**6. Trade and other payables**

	<b>2021</b>	<b>2020</b>
Trade accounts payable	<b>3,450,129</b>	1,560,812
Employee deductions payable	<b>1,975,385</b>	232,214
Goods and Services Tax payable	<b>517,025</b>	(107,223)
Accrued liabilities	<b>102,840</b>	86,075
	<b>6,045,379</b>	1,771,878

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**7. Term loans due on demand**

	<b>2021</b>	<b>2020</b>
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$235,117 plus interest, from June to January and interest only payments from February to May, with security as described in Note 5, maturing November 9, 2021.	<b>3,291,637</b>	4,467,222
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$113,636 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing June 25, 2023.	<b>1,931,818</b>	2,500,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$56,055 plus interest from September to January and interest only payments from February to August, with security as described in Note 5, maturing August 19, 2024.	<b>1,513,477</b>	1,793,750
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$57,143 plus interest from June to January and interest only payments from February to May, maturing April 6, 2023, with security as described in Note 5.	<b>914,286</b>	1,200,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$49,602 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing June 8, 2023.	<b>843,239</b>	-
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$27,778 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing November 23, 2023.	<b>611,111</b>	750,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$35,714 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing April 10, 2023.	<b>571,429</b>	750,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$9,023 plus interest from September to January and interest only payments from February to August, with security as described in Note 5, maturing August 9, 2024.	<b>243,633</b>	288,750
	<b>9,920,630</b>	11,749,722
Less: current portion	<b>9,920,630</b>	11,749,722
	<b>-</b>	<b>-</b>

Principal repayments on term loans due on demand in each of the next four years, assuming loans remain subject to contractual terms of repayment, are estimated as follows:

2022	4,672,550
2023	4,202,314
2024	850,530
2025	195,236
	<b>9,920,630</b>

Term loans due on demand are subject to certain financial covenants as disclosed in Note 5. As the Company is in breach of its covenants, all term loans have been classified as current liabilities on the balance sheet.

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**8. Capital lease obligations**

	<b>2021</b>	<b>2020</b>
Komatsu Financial - Obligations under capital lease payable in blended aggregate monthly installments of \$221,927 (ranging from \$7,169 to \$22,015 individually) from June to January and interest only payments from February to May at rates ranging from nil% to 4.98%, maturing from November 2021 to February 2025, secured by equipment having a net book value of \$6,052,301 (2020 - \$8,701,277).	<b>4,618,545</b>	5,786,888
WS Leasing - Obligations under capital lease payable in blended aggregate monthly installments of \$2,884, including interest rate at 4.99%, maturing March 2023, secured by equipment having a net book value of \$75,274 (2020 - \$91,797).	<b>60,729</b>	343,221
	<b>4,679,274</b>	6,130,109
Less: current portion	<b>1,680,052</b>	1,571,604
	<b>2,999,222</b>	4,558,505

Future minimum lease payments related to obligations under capital lease are as follows:

2022	1,829,376
2023	1,849,774
2024	968,799
2025	312,031
	<u>4,959,980</u>
Less: imputed interest	(280,706)
	<u>4,679,274</u>
Less: current portion	(1,680,052)
	<u>2,999,222</u>

**9. Advances from shareholders**

In conjunction with the acquisition of the Company's initial business assets from Petrowest Civil Services LP, promissory notes payable of \$18,807,490 were assumed from Crown Capital Fund IV, LP, a shareholder of the Company. The advance is repayable on demand, with \$5,000,000 not bearing interest and the remainder bearing interest at 10% before demand, and 12% after demand. During the year, \$1,478,822 (2020 - \$425,000) of interest payable was added to the promissory note payable balance. As this transaction was non-cash it has been omitted from the statement of cash flows. The total balance owing to Crown Capital Fund IV, LP at April 30, 2021 is \$20,628,630 (2020 - \$19,149,808).

On April 30, 2019, the Company issued a \$5,000,000 dividend to 2069328 Alberta Ltd., settled by way of a non-interest bearing promissory note, payable on demand. As the transaction was non-cash, it has been omitted from the statement of cash flows. The \$5,000,000 promissory note has been subordinated and postponed pursuant to an agreement with the Company's surety bonding provider.

Both shareholders have waived their right to repayment within the next year, therefore the advances are presented as a long-term liability.

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**10. Commitments**

The Company has entered into a lease agreement with estimated minimum annual payments as follows:

2022	960,000
2023	640,000
	<u>1,600,000</u>

**11. Share capital**

	<b>2021</b>	<b>2020</b>
Issued		
Common shares		
1 Class A voting common share (2020 - 1)	<b>1</b>	<b>1</b>
1 Class B voting common share (2020 - 1)	<b>1</b>	<b>1</b>
	<u><b>2</b></u>	<u><b>2</b></u>

**12. Related party transactions**

During the normal course of business, significant transactions with affiliated companies recorded at the exchange amount and not disclosed separately in the accompanying financial statements were as follows:

	<b>2021</b>	<b>2020</b>
<b>A1 Quality Belting Ltd. - controlled by a Director</b>		
Equipment rental costs	<b>2,468,972</b>	2,738,251
Belting	<b>1,081,377</b>	1,292,736
Other expenses	<b>431,599</b>	222,515
Equipment sold to A1	<b>100,000</b>	1,483,978
Equipment purchased from A1	<b>295,325</b>	-
Supplies, repairs and maintenance	<b>35,689</b>	143,071
Interest expense	<b>25,793</b>	-
Revenues	<b>(178,028)</b>	(14,390)
<b>1258311 Alberta Limited - controlled by a Director</b>		
Rent expense	<b>960,000</b>	960,000
<b>Crown Capital Fund IV, LP - shareholder</b>		
Interest on loans expense	<b>1,490,346</b>	1,043,753
<b>Janet Fisher - Spouse of Director</b>		
Rent expense	<b>84,000</b>	84,000
<b>Bernie Reed - Director</b>		
Supplies, repairs and maintenance	<b>737,741</b>	499,848
Other expenses	<b>273,125</b>	418,302

In addition to the above, as at April 30, 2021 A1 Quality Belting Ltd. advanced \$619,771 (2020 - \$582,421) to the Company. The advances are non-interest bearing, unsecured and due on demand. Included in accounts payable and accruals is \$1,171,364 (2020 - \$107,479) owing to A1 Quality Belting Ltd., \$84,000 (2020 - \$nil) owing to 1258311 AB Ltd. and \$183,318 (2020 - \$nil) owing to Bernie Reed. Included in accounts receivable is \$141,437 receivable from A1 Quality Belting Ltd.

**13. Financial instruments**

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit risk and concentration***

For the year ended April 30, 2021, three customers (2020 - two customers) accounted for 28% (2020 - 37%) of revenues from operations and as at April 30, 2021 one customer (2020 - three customers) accounted for 23% (2020 - 64%) of accounts receivable. The Company experienced an increase in credit risk during the year as certain customers experienced financial difficulty creating uncertainty regarding their ability to honour amounts payable. Risk exposure associated with the collection of these receivables has been incorporated into the determination of the allowance for doubtful accounts (Note 3). The Company performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Company is exposed to interest rate cash flow risk with respect to bank indebtedness and term loans due on demand which are subject to floating interest rates as disclosed in Notes 5 and 7. The Company is exposed to interest rate price risk on its advances from shareholder (Note 9) and capital lease obligations (Note 8) as they are at fixed rates.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's exposure to liquidity risk is dependent on achieving profitable operations, collection of accounts receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

**14. Significant event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of any impact the COVID-19 outbreak may have on the Company subsequent to year-end as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the spread of the disease, duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The Company applied for the Canada Emergency Wage Subsidy (CEWS). Under CEWS, organizations experiencing significant revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages or deductions paid during those periods. For the year ended April 30, 2021, the Company claimed aggregate subsidies under these programs of \$1,302,542 (2020 - \$170,551).

**15. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**RBee Aggregate Consulting Ltd.**  
**Schedule 1 - Schedule of General and Administrative Expenses**  
*For the year ended April 30, 2021*

	<b>2021</b>	<b>2020</b>
<b>General and administrative expenses</b>		
Bad debts	<b>1,996,532</b>	-
Salaries, wages and benefits	<b>1,440,964</b>	1,780,319
Rent <i>(Note 12)</i>	<b>1,045,524</b>	1,054,350
Telephone and utilities	<b>607,785</b>	602,620
Licenses, taxes and permits	<b>567,992</b>	228,601
Insurance	<b>566,484</b>	579,891
Accounting and legal	<b>463,547</b>	55,175
Professional fees	<b>376,770</b>	322,784
Travel and entertainment	<b>178,122</b>	170,861
Vehicle costs	<b>161,346</b>	218,898
Office	<b>80,643</b>	112,853
Freight	<b>79,914</b>	74,526
WCB expense	<b>62,956</b>	158,226
	<b>7,628,579</b>	5,359,104

**Exhibit:** C for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)



November 5, 2021

Mr. David Howells  
RBee Aggregate Consulting Ltd.  
Box 1110  
Gibbons, AB T0A 1N0

Dear Mr. Howells:

**Re: Recommendations arising from the audit of the 2021 financial statements**

During the course of our audit of the financial statements of the RBee Aggregate Consulting Ltd. (the "Company") for the year ended April 30, 2021, we identified some matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose all material fraud, or errors and other irregularities, and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

As a result of our observations, we have outlined several recommendations for improvements in your internal controls and accounting processes. Additional minor matters were also discussed verbally with your staff.

## MATTERS FROM THE PRIOR YEAR AUDIT

### MANUAL JOURNAL ENTRY APPROVAL – OUTSTANDING

#### OBSERVATION AND POSSIBLE EFFECT

It was noted that not all manual journal entries are being reviewed and approved by management subsequent to preparation by the bookkeeper. During the audit we noted that amortization accruals recorded at year end were posted to the general ledger however management noted the balances did not appear reasonable, highlighting the absence of appropriate reviews of manual adjustments.

Without proper reviews, there is a risk that mistakes may be made and not caught, or that intentional / fraudulent misstatements in the financial statements would not be identified.

#### UPDATE FOR 2021 AND RECOMMENDATION

We recommend an independent review process be put in place to review manual adjustments at least on a periodic basis to ensure accurate financial reporting for the Company; and that the date and by whom the review is completed be documented.

## CAPITAL ASSET CONTINUITY - OUTSTANDING

### OBSERVATION AND POSSIBLE EFFECT

During the 2018 audit, it was noted that a detailed capital asset continuity schedule is not maintained by the Company. Without tracking capital assets *on a per item basis*, there is a risk that disposals will not be accurately reflected, or that amortization will be taken in excess of an asset's cost.

### UPDATE FOR 2021 AND RECOMMENDATION

Individual assets were identified in an asset listing, but the related amortization continues to be completed using a pool basis during the year. While assets are individually listed, using the pool basis for amortization, enhances the chances of error at the point of disposal as each disposal must be separately analyzed to recalculate carrying value and related gains or losses. We continue to recommend that a full capital asset continuity schedule is created which outlines the original cost and accumulated amortization of each individual asset.

## GST PAYMENTS - RESOLVED

### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that a number of payments and receipts relating to the Company's monthly GST returns were not cleared from accounts payable. Further, a number of payments and receipts were recorded to the GST paid account and not allocated appropriately between the GST collected and GST paid accounts. This resulted in inaccurate GST paid and GST collected balances at year-end which did not agree to the balance as reported by the CRA.

This can lead to uncertainty as to the balance outstanding with CRA, leading to significant penalties and interest being levied, which did occur during fiscal 2020.

### UPDATE FOR 2021 AND RECOMMENDATION

During the audit it was noted that the outstanding balance for the month of April 2021 was allocated to the GST collected and GST payable accounts appropriately. It appears that with the assistance of BDO that adjustments were being made appropriately in fiscal 2021.

However, MNP identified that several periods of GST amounts were adjusted to outstanding cheques at year-end. Per discussions with Coleen Benesocky, Bookkeeper, the cheques became stale and were reversed in fiscal 2022 due to the cheque not being received by the CRA. This resulted in MNP proposing an adjusting entry to reverse the outstanding cheque back to GST payable this year totaling \$611,631. Prior to MNP's reclassifying journal entry it was noted that the outstanding balance at year-end was allocated appropriately, MNP considers this matter resolved.

*It is important to note that as a result of the outstanding cheque not being received by the CRA, interest and penalties were recorded again in fiscal 2021.*

## GST ITCs - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that significant variances arose between the monthly GST paid and GST collected accounts in the general ledger compared to the amount reported in the monthly GST return. This could result in under-remitted GST, potentially resulting in penalties and interest once resolved, or the Company receiving a smaller refund than it is entitled to.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit it was noted that variances arose between the GST paid and GST collected accounts in the general ledger compared to the amounts reports in the GST returns. Per review of the reconciliation provided by BDO, Rbee was over-remitting on its GST returns to make up for under-allocated ITCs from prior periods.

Expectation is now that Rbee has caught up on its under-reported ITCs, variances will be minimal in future periods. MNP continues to recommend that amounts reported on GST returns be reconciled to the general ledger activity for the applicable period.

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### OBSERVATION AND POSSIBLE EFFECT

We also noted in the prior year audit that certain transactions recorded by RBee were actually invoiced to related parties. GST ITCs are to be claimed by the entity invoiced for the goods or services provided, and as such, upon a review by CRA, these ITCs can be denied, resulting in GST payable by Rbee.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the performance of audit procedures MNP did not note any related party invoices that Rbee paid for which it was not directly invoiced. The recommendation appears to be addressed.

## EMPLOYER PORTION OF EMPLOYEE DEDUCTIONS AND WCB - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that account 2161 Employee deductions payable and account 2230 WCB payable were not properly used as clearing accounts. The employer payable portion was accrued within these accounts, but the accounts were not subsequently cleared when payments were made. This resulted in an overstatement of employee deductions payable and WCB payable, and an understatement of wage expense. This results in both inaccurate financial reporting on a monthly basis and could lead to confusion as to what amount is actually payable for these liabilities.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit MNP noted that WCB payable and employee deductions payable balances due at year-end were cleared subsequent to year-end appropriately from accounts payable. This recommendation is considered addressed.

## CAPITAL LEASE BALANCES - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that all Komatsu capital lease balances did not agree to their corresponding amortization schedule from Komatsu. This resulted in an understatement of lease liabilities and an understatement of interest expense.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit MNP noted that the lease liabilities agreed to the corresponding Komatsu amortization schedules. This recommendation is considered addressed.

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### OBSERVATION AND POSSIBLE EFFECT

It was also noted that interest was not recorded on a majority of the Komatsu capital leases. Further, payments made by a related party were not recorded in the general ledger. This resulted in an inaccurate reporting of Komatsu loan balances at year-end, an understatement of liabilities, and an understatement of interest on long-term debt expense.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit MNP noted that the lease liabilities agreed to the corresponding Komatsu amortization schedules and that all payments were recorded in the general ledger. This recommendation is considered addressed.

## VISA EXPENSES - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

We noted that the allocation of Visa payments to general ledger accounts were not supported by documentation or the corresponding invoices. This resulted in a delay in obtaining corresponding supporting documentation for Visa payments during audit testing, which constituted a material volume of transactions during the year. A lack of support for Visa transactions could result in expenses or ITCs being denied upon a review by CRA.

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### RECOMMENDATION

During the audit delays in obtaining supporting documentation for visa payments were not encountered. This recommendation is considered addressed.

## MATTERS FROM THE CURRENT YEAR AUDIT

### PRIOR PERIOD GST PAYABLE AND EMPLOYEE DEDUCTIONS PAYABLE

#### OBSERVATION AND POSSIBLE EFFECT

During the audit MNP noted that prior period GST payable and employee deductions payable balances owing to the CRA have not been paid. This has resulted in Rbee accruing interest and penalties throughout the year and the outstanding balance growing to significant payable balances at year-end.

Payroll remittances is an area that CRA pursues collection for aggressively. If employee remittances are not paid by the company, the **directors** of the company are **personally** liable for these deductions. As at April 30, 2021, the amount payable to CRA is \$1,975,385. As at the date of this letter, the amount is still outstanding per CRA, and interest and penalties are accruing on this daily, thus increasing the liability outstanding.

#### RECOMMENDATION

MNP recommends that Rbee pay its GST payable and employee deductions payable balances as soon as possible to decrease the risk that CRA will take aggressive action to collect these balances. Going forward, we recommend paying amounts owing to CRA on-time to avoid accruing additional interest and penalties. In addition, the growing liability can have a significant negative impact on the management of Rbee's cash flow, as interest and penalties hinder the ability to pay other liabilities in a timely manner.

### TRACKING USER ACTIVITY IN ACCOUNTING SYSTEM

#### OBSERVATION AND POSSIBLE EFFECT

During the audit MNP noted that the majority of journal entries early in the fiscal year were made by the user "*sysadmin*" instead of an identifiable user. This can make it difficult to identify who posts and makes changes in the accounting system and limits the effectiveness of the internal controls implemented. When identifiable users are added, not only does it track who is making postings/changes, but it can also restrict what different users are authorized to access or change (e.g. changing vendor or payroll details), allowing management to implement stronger segregation of duties.

#### RECOMMENDATION

MNP noted that closer to year-end entries were made by identifiable users and recommends that this practice continue in the future. Each user should have their own password that is not shared with anyone to ensure nobody has unauthorized access to the financial records.

### HOLDBACKS RECEIVABLE

#### OBSERVATION AND POSSIBLE EFFECT

Holdbacks are a common practice in your industry, and some projects can occur over long periods of time, allowing for these holdbacks to age for periods much longer than 90 days. During the holdbacks receivable testing it was identified that a significant amount of holdbacks aged greater than a year, many of which were from 2018. Upon further analysis, some of the projects had not been active for years and no other projects with the customer had been initiated since the original holdback date.

It appears that moving balances between holdbacks receivable and general accounts receivable occur through posting non-cash “receipt” or “invoice” transactions, which alter the true transaction date for the initiation of the holdback. In addition, at times holdbacks have been re-invoiced and re-recorded as revenue, creating an overstatement of revenues and receivables that were not corrected prior to the audit. Holdbacks receivable which were recorded incorrectly or in duplicate, and no longer represent a balance due to RBee, need to be reversed or written off. As part of the 2021 audit, \$1.37M of holdbacks receivable were adjusted / reversed

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## RECOMMENDATION

MNP recommends that holdbacks receivables should be reviewed at the end of each project or at least semi-annually. When a project is finished, a final release of the holdback should be subsequently followed up for collection. In addition, the holdback listing should be reviewed monthly to ensure balances still reflect active projects, or balances being actively collected. MNP recommends that a policy be implemented to assist management in estimating how long a holdback is considered to be collectable and create a process to which regular follow ups, as well as documentation on those follow ups, are completed to assist in the collectability of these significant amounts.

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## REVIEW OF BANK RECONCILIATION

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### OBSERVATION AND POSSIBLE EFFECT

During the audit and during conversation with Coleen Benesocky it was noted that bank reconciliations are prepared but no review process in place to ensure adjustments being made to the bank accounts are appropriate. There is potential for misstatement in the outstanding cheque and outstanding deposit balances that ultimately ties to the general ledger.

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### RECOMMENDATION

MNP recommends that an independent review by a financially literate team member be performed on bank reconciliations each month with date and signature noted indicating that the review has been completed.

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## MANAGEMENT SALARY LETTERS

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### OBSERVATION AND POSSIBLE EFFECT

During the performance of audit procedures surrounding payroll, we noted that there was no employment salary letter kept in the records for Marla Howells. Upon further discussion with Coleen Benesocky, it was noted employment letters are not prepared for management employees. This increases the risk that employees are not being paid correctly and increases the risk of liability to Rbee should the employee leave under contentious circumstances.

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### RECOMMENDATION

MNP recommends that employee records be maintained for all employees including management employees that include the employment letter with agreed upon salary and employment terms signed by both parties.

## CUT-OFF OF EXPENDITURES

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### OBSERVATION AND POSSIBLE EFFECT

During the performance of audit procedures surrounding accounts payable it was noted that several invoices from DLA Piper relating to the fiscal 2021 year were not recorded until the 2022 year-end. Per discussion with Coleen Benesocky, the reason was that the year-end had been closed in the accounting system. As a result, accounts payables were understated, and expenses were understated. The total amount was significant and it was corrected in the current year financial statements.

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### RECOMMENDATION

MNP recommends that a review be completed of all invoices received subsequent to year end. The accounting system should remain open for a reasonable time-frame (consider two months) to ensure invoices received subsequent to year-end can be captured in the correct period.

## BUDGETING

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### OBSERVATION AND POSSIBLE EFFECT

It was identified during the audit that a budget had not been reviewed and formally approved by the shareholders for either the 2021 or 2022 year. Budgeting is an integral part of the business and control process. It allows a Company to determine where they could potentially cut costs, if more projects are required to drive revenues, to compare to actual results to determine if there is are suspicious trends or items that require investigation.

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### RECOMMENDATION

MNP recommends that a budget is prepared by the finance team, then reviewed and approved by the shareholders. In addition, a locked or pdf'd copy should be retained as the final approved budget to use for comparison to actual financial information.

## APPROVAL FOR BAD DEBT WRITE-OFFS

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### OBSERVATION AND POSSIBLE EFFECT

During our review of internal controls it was identified that an accounts receivable was written off, but there was no supporting email or documentation from leadership directing the entry to be made or reviewing the entry. Documentation should be maintained to support all journal entries and write-offs as these are areas that are subject to manipulation.

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### RECOMMENDATION

We recommend that all journal entries and write offs have attached documentation and be reviewed by management.

## USEFUL LIFE OF ASSETS ESTIMATE

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### OBSERVATION AND POSSIBLE EFFECT

During the audit MNP noted that there was a significant loss on the disposal of property and equipment in fiscal 2021. The total NBV of assets disposed of were significantly lower than the proceeds of sale. Although in prior years the gain(loss) on the disposal of assets has been close to break-even, this may indicate that the estimated useful life of assets impacting amortization rates are not appropriate.

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### RECOMMENDATION

MNP recommends that management assess whether the amortization rates taken on its property and equipment are too low based on the results of recent disposals.

We discussed these recommendations with management and received their comments thereon. We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from all of RBee Aggregate Consulting Ltd.'s staff.

We would be pleased to discuss with you further any matters mentioned in this report at your convenience. This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

Yours truly,



**MNP LLP**

DLG/pd





# RBEE Aggregate Consulting Ltd.

Box 1110  
Gibbons, AB T0A 1N0

CHEQUE NO.

4016

DATE

2 2 0 9 2 0 2 1

D D M M Y Y Y Y

\*\*Five Hundred Forty Thousand One Hundred Fifty Four and 09/100

\$\*\*540,154.09

Amount in Canadian Dollars

A1 Quality Belting - Belting

PO Box 65

Wembley, AB T0H 3S0

**Exhibit:** E for Identification

**Date:** March 20, 2024

**Witness:** Bernie Allan Reed

**Court Reporter:** Derek Lopez, CSR(A)

RBEE Aggregate Consulting Ltd.

Amount in Canadian Dollars

A1 Quality Belting - Belting		Sep 22, 2021		4016	
	Discount	Amount Paid		Discount	Amount Paid
111914		26,040.00	111928		26,040.00
8233		2,761.84			
111922		309,750.00			
8238		1,386.19			
8244		3,527.29			
8254		1,575.00			
111918		13,125.00			
111919		50,117.55			
111920		14,173.29			
111921		18,916.78			
8271		3,379.99			
8261		25,341.05			
8265		1,278.46			
8274		2,449.10			
8281		2,761.92			
8301		13,724.05			
111923		1,874.69			
8302		21,931.89			
				Total	540,154.09

RBEE Aggregate Consulting Ltd.

Amount in Canadian Dollars

A1 Quality Belting - Belting		Sep 22, 2021		4016	
	Discount	Amount Paid		Discount	Amount Paid
111914		26,040.00	111928		26,040.00
8233		2,761.84			
111922		309,750.00			
8238		1,386.19			
8244		3,527.29			
8254		1,575.00			
111918		13,125.00			
111919		50,117.55			
111920		14,173.29			
111921		18,916.78			
8271		3,379.99			
8261		25,341.05			
8265		1,278.46			
8274		2,449.10			
8281		2,761.92			
8301		13,724.05			
111923		1,874.69			
8302		21,931.89			
				Total	540,154.09

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111914  
Date: 10/31/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Bernie

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		Consulting Bernie Reed Benefits		3	25,000.00 -210.00
		Subtotal:			24,790.00
		3 - GST 5% GST			1,250.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		26,040.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8233  
Date: 11/16/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
12		5DS13SAL	68.4583	3	821.50
12		5DS15SAL	71.9158	3	862.99
12		5DS19SAL	78.8192	3	945.83
		Subtotal:			2,630.32
		3 - GST 5% GST			131.52
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		2,761.84

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111922  
Date: 11/17/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO#

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		Monthly Rental for December 2020 as per Agreement		3	295,000.00
		Subtotal:			295,000.00
		3 - GST 5% GST			14,750.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		309,750.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8238  
Date: 11/19/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
3		Pails 190CMA	440.06	3	1,320.18
		Subtotal:			1,320.18
		3 - GST 5% GST			66.01
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		1,386.19

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8244  
Date: 11/19/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7  
Cross Conveyor

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
38	ft	x 42" 400piw 2ply 3/8 x 1/8	70.14	3	2,665.32
1		42" splice material	294.00	3	294.00
5	hours	Labour	80.00	3	400.00
		Subtotal:			3,359.32
		3 - GST 5% GST			167.97
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0					
Total Amount					3,527.29

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8254  
Date: 11/23/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7 - Duke

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
12	pieces	18" x 72" Lagging	125.00	3	1,500.00
		Subtotal:			1,500.00
		3 - GST 5% GST			75.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		1,575.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111918  
Date: 11/24/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO#

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
5	months	Rental of 2019 Chevrolet Silverado 3500, Serial Number 1GC4KXCY8KF261043	2,500.00	3	12,500.00
		Subtotal:			12,500.00
		3 - GST 5% GST			625.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		13,125.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111919  
Date: 11/24/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO#

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
1	USED	2019 Chevrolet Silverado 3500, Serial Number 1GC4KXCY8KF261043	47,731.00	3	47,731.00
		Subtotal:			47,731.00
		3 - GST 5% GST			2,386.55
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		50,117.55

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111920  
Date: 11/24/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO#

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
2	each	RT969	367.92	3	735.84
1	each	RT970	313.74	3	313.74
2	each	RT968	367.92	3	735.84
2	each	RT780 Segment	836.64	3	1,673.28
6	each	RT779 Segment	836.64	3	5,019.84
6	each	RT778 Segment	836.64	3	5,019.84
		Subtotal:			13,498.38
		3 - GST 5% GST			674.91
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		14,173.29

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111921  
Date: 11/24/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 6

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
1	set	HP 400 Bowl Liner & Mantle	11,750.00	3	11,750.00
1	each	RT762 Moveable Jaw Plate	6,265.98	3	6,265.98
		Subtotal:			18,015.98
		3 - GST 5% GST			900.80
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		18,916.78

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8271  
Date: 11/25/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7  
Cross Conveyor

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
36	ft	x 42" 400piw 2ply 3/8 Top	70.14	3	2,525.04
1		42" splice material	294.00	3	294.00
5	hours	Labour	80.00	3	400.00
		Subtotal:			3,219.04
		3 - GST 5%			
		GST			160.95
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		3,379.99

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8261  
Date: 11/30/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #9  
UnderJaw

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
115	ft	x 54" 600piw 3ply 3/8 x 1/8	126.3600	3	14,531.40
1		54" splice kit	378.0000	3	378.00
8		Rollers 19" 5DS19SAL	78.8188	3	630.55
11		4' Impact Bars	317.1200	3	3,488.32
1		Pail 190CMA Clips	440.0600	3	440.06
540	km	mileage	1.1000	3	594.00
16	hours	Labour	80.0000	3	1,280.00
23	hours	Overtime Labour	100.0000	3	2,300.00
		Accommodations		3	282.00
		Meals		3	210.00
		Subtotal:			24,134.33
		3 - GST 5%			
		GST			1,206.72
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		25,341.05

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8265  
Date: 12/01/2020

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 6

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
2		Sheets 4' x 10' x 1/2" Puck Board UHMW VW SHT 1/2"	608.79	3	1,217.58
		Subtotal:			1,217.58
		3 - GST 5% GST			60.88
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		1,278.46

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8274  
Date: 12/07/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 4

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
8		Magnet Pads	291.56	3	2,332.48
		Subtotal:			2,332.48
		3 - GST 5% GST			116.62
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		2,449.10

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8281  
Date: 12/10/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
12		5DS13SAL	68.46	3	821.52
12		5DS15SAL	71.92	3	863.04
12		5DS19SAL	78.82	3	945.84
		Subtotal:			2,630.40
		3 - GST 5% GST			131.52
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		2,761.92

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8301  
Date: 12/11/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 4  
Feeder Outfeed

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
107	ft	x 48" 400piw 2ply 1/4 Top	75.36	3	8,063.52
1		48" splice material	336.00	3	336.00
600	km	mileage	1.10	3	660.00
32	hours	Labour	80.00	3	2,560.00
8	hours	Overtime Labour	100.00	3	800.00
		Accomodations for 2		3	351.00
		Meals		3	300.00
		Subtotal:			13,070.52
		3 - GST 5%			
		GST			653.53
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0					
Total Amount					13,724.05

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111923  
Date: 12/14/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 6 WA600-5

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
1	each	RT970 Segment	313.74	3	313.74
2	each	RT969 Segment	367.92	3	735.84
2	eacj	RT968 Segment	367.92	3	735.84
		Shipped out December 2, 2020			
		Subtotal:			1,785.42
		3 - GST 5%			
		GST			89.27
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		1,874.69

**A-1 Quality Belting Ltd.**

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

**INVOICE**

Invoice No.: 8302  
Date: 12/15/2020  
Page: 1

**Sold to:**

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

**Ship to:**

R Bee Aggregate Consulting Ltd.  
PO# Plant #10

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
18		20 degree; Roller Stands 47" wide for 36" pulley's with rollers	325.0000	3	5,850.00
3		36" Tail Pulleys 12" diameter with 2 7/16 shaft	2,568.4633	3	7,705.39
3		36" Head Pulleys 12" Diameter with 2 7/16 shaft comes with weld on lagging	2,164.5400	3	6,493.62
3		36" drop in return rollers	279.5000	3	838.50
		Subtotal:			20,887.51
		3 - GST 5% GST			1,044.38
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		21,931.89

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111928  
Date: 11/30/2020  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Bernie

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		Consulting		3	25,000.00
		Bernie Reed Benefits			-210.00
		Subtotal:			24,790.00
		3 - GST 5%			
		GST			1,250.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		26,040.00

Box 1110  
Gibbons, AB T0A 1N0

4063

2 5 1 0 2 0 2 1  
D D M M Y Y Y Y

\$\*\*341,250.00

A1 Quality Belting - Rental  
PO Box 65  
Wembley, AB T0H 3S0

**Exhibit:** F for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)

Amount in Canadian Dollars

A1 Quality Belting - Rental		Oct 25, 2021		4063	
	Discount	Amount Paid		Discount	Amount Paid
111959		341,250.00			
				Total	341,250.00

Amount in Canadian Dollars

A1 Quality Belting - Rental	Oct 25, 2021	4063
Discount	Amount Paid	Discount Amount Paid
111959	341,250.00	
		Total 341,250.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111959 Revised  
Date: 05/15/2021

Page: 1

### Sold to:

R Bee Aggregate - Rentals  
PO Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate - Rentals  
PO#:

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		Monthly Rental for May 2021 as per Agreement *Equipment List Backup on File*		3	325,000.00
		Subtotal:			325,000.00
		3 - GST 5% GST			16,250.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		341,250.00

**RBEE Aggregate Consulting Ltd.**

Box 1110  
Gibbons, AB T0A 1N0

CHEQUE NO. 4113

DATE 0 3 1 2 2 0 2 1  
D D M M Y Y Y Y

\*\*Two Hundred Fifty Three Thousand Two Hundred Eleven and 72/100  
Amount in Canadian Dollars

\$\*\*253,211.72

A1 Quality Belting - Belting  
PO Box 65  
Wembley, AB T0H 3S0

**Exhibit:** G for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)

RBEE Aggregate Consulting Ltd.

Amount in Canadian Dollars

A1 Quality Belting - Belting		Dec 03, 2021		4113	
	Discount	Amount Paid		Discount	Amount Paid
111946 Interest		13,709.28	8759		12,637.59
8669		9,569.07	111972		12,337.50
8671		6,628.85	8761		5,738.00
8672		639.45	8760		422.10
111961-		8,513.51	8774		6,338.68
8676		4,639.32	8789		8,543.01
8684		10,066.88	8788		2,432.11
8688		1,427.98	8786		128.58
8690		5,118.04	8785		214.31
8689		2,625.00	8790		4,686.68
8711		12,980.18	8801		2,101.05
111962		26,040.00	111975		26,040.00
8719		347.29			
8722		41,178.95			
8734		11,894.00			
8736		504.00			
8795		14,850.36			
8755		859.95			
				Total	253,211.72

RBEE Aggregate Consulting Ltd.

Amount in Canadian Dollars

A1 Quality Belting - Belting		Dec 03, 2021		4113	
	Discount	Amount Paid		Discount	Amount Paid
111946 Interest		13,709.28	8759		12,637.59
8669		9,569.07	111972		12,337.50
8671		6,628.85	8761		5,738.00
8672		639.45	8760		422.10
111961-		8,513.51	8774		6,338.68
8676		4,639.32	8789		8,543.01
8684		10,066.88	8788		2,432.11
8688		1,427.98	8786		128.58
8690		5,118.04	8785		214.31
8689		2,625.00	8790		4,686.68
8711		12,980.18	8801		2,101.05
111962		26,040.00	111975		26,040.00
8719		347.29			
8722		41,178.95			
8734		11,894.00			
8736		504.00			
8795		14,850.36			
8755		859.95			
				Total	253,211.72

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111946 Interest  
Date: 04/30/2021

Page: 1

### Sold to:

R Bee Aggregate - Rentals  
PO Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate - Rentals  
PO#:

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		March 24, 2021 Interest on unpaid invoice		1	384.46
		April 24, 2021 Interest on unpaid invoice		1	425.66
		January 1, 2021 Interest on unpaid invoice		1	2,630.75
		February 1, 2021 Interest on unpaid invoice		1	2,630.75
		March 1, 2021 Interest on unpaid invoice		1	2,376.16
		April 1, 2021 Interest on unpaid invoice		1	2,630.75
		May 1, 2021 Interest on unpaid invoice		1	2,630.75
		Subtotal:			13,709.28
		1 - GST Exempt			
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		13,709.28

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8669  
Date: 05/20/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 3

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
50		5DS13SAL	68.46	3	3,423.00
20		5DS19SAL	78.82	3	1,576.40
50		5DS21SAL	82.28	3	4,114.00
		Subtotal:			9,113.40
		3 - GST 5% GST			455.67
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		9,569.07

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8671  
Date: 05/20/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 10

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
20		5DS13SAL	68.4600	3	1,369.20
20		5DS15SAL	71.9200	3	1,438.40
6		42" return drop-ins	310.8800	3	1,865.28
13		x 44" 62" Shaft 2-5/16 Wing Pulley	126.1777	3	1,640.31
		Subtotal:			6,313.19
		3 - GST 5%			
		GST			315.66
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		6,628.85

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8672  
Date: 05/20/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
5		48" return rollers	121.80	3	609.00
		Subtotal:			609.00
		3 - GST 5% GST			30.45
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		639.45

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111961  
Date: 05/21/2021

Page: 1

### Sold to:

R Bee Aggregate - Liners & Parts  
PO Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate - Liners & Parts  
PO#:

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
1	each	RT764 Jaw Plate	8,108.10	3	8,108.10
		Subtotal:			8,108.10
		3 - GST 5% GST			405.41
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		8,513.51

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8676  
Date: 05/21/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
30		5DS15SAL	71.92	3	2,157.60
30		5DS17SAL	75.36	3	2,260.80
		Subtotal:			4,418.40
		3 - GST 5% GST			220.92
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		4,639.32

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8684  
Date: 05/22/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 3  
Feeder

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
85	ft	x 42" 400piw 2ply 3/8	70.14	3	5,961.90
		42" splice material		3	294.00
456	km	mileage	1.10	3	501.60
16	hours	Labour	80.00	3	1,280.00
14	hours	Overtime Labour	100.00	3	1,400.00
		Meals		3	150.00
		Subtotal:			9,587.50
		3 - GST 5%			
		GST			479.38
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0					
Total Amount					10,066.88

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8688  
Date: 05/25/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
4		CRRD-48 Diamond	339.995	3	1,359.98
		Subtotal:			1,359.98
		3 - GST 5% GST			68.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		1,427.98

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8690  
Date: 05/26/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7  
Duke

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
4		42" Return Rollers CRRD-42"	310.88	3	1,243.52
6		48" return Rollers CRRD-48"	339.88	3	2,039.28
4		60" Return Rollers CRRD-60"	397.88	3	1,591.52
		Subtotal:			4,874.32
		3 - GST 5%			
		GST			243.72
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		5,118.04

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8689  
Date: 05/26/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 9  
Cory

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
8		#20 Slide Lagging	125.00	3	1,000.00
12		#16 Slide Lagging	125.00	3	1,500.00
		Subtotal:			2,500.00
		3 - GST 5% GST			125.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		2,625.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8711  
Date: 05/30/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 6  
Underscreen

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
78	ft	x 54" 600piw 3ply 3/8	126.36	3	9,856.08
		54" splice material		3	378.00
180	km	mileage	1.10	3	198.00
16	hours	Labour	80.00	3	1,280.00
5	hours	Overtime Labour	100.00	3	500.00
		Meals		3	150.00
		Subtotal:			12,362.08
		3 - GST 5%			
		GST			618.10
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		12,980.18

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111962  
Date: 05/31/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Bernie

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		Consulting May 2021		3	25,000.00
		Bernie Reed Benefits			-210.00
		Subtotal:			24,790.00
		3 - GST 5%			
		GST			1,250.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		26,040.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8719  
Date: 06/03/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 10

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		175" x 44.5" PVC120		3	330.75
		Subtotal:			330.75
		3 - GST 5% GST			16.54
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		347.29

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8722  
Date: 06/03/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 3  
Randy

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
2.0	Belts	25' x 36" 330piw 3ply prepped for clips	1,035.00	3	2,070.00
106.0	ft	x 48" 600piw 3ply 3/8 x 1/8	112.32	3	11,905.92
150.0	ft	x 42" 600piw 3ply 3/8 x 1/8	98.28	3	14,742.00
		90" splice material		3	630.00
2.0	Buckets	190CMA Clips	440.06	3	880.12
600.0	km	mileage	1.10	3	660.00
24.0	hours	Labour	80.00	3	1,920.00
23.0	hours	Overtime Labour	100.00	3	2,300.00
9.0	hours	Labour	80.00	3	720.00
25.5	hours	Overtime Labour	100.00	3	2,550.00
		Accommodations for 3 workers		3	390.00
		Meals		3	450.00
		Subtotal:			39,218.04
		3 - GST 5%			
		GST			1,960.91
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0					
Total Amount					41,178.95

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8734  
Date: 06/05/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7  
Underjaw

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
109	ft	x 54" 400piw 2ply 3/8	90.18	3	9,829.62
		54" splice material		3	378.00
14	hours	Labour	80.00	3	1,120.00
		Subtotal:			11,327.62
		3 - GST 5%			
		GST			566.38
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		11,894.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8736  
Date: 06/08/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 3

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
20	ft	x 60" Door Belt	24.00	3	480.00
		Subtotal:			480.00
		3 - GST 5% GST			24.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		504.00

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8795  
Date: 06/12/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 10  
June 2 - 12, 2021

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
2,512	km	mileage	1.10	3	2,763.20
56	hours	Labour	80.00	3	4,480.00
53	hours	Overtime Labour	100.00	3	5,300.00
		Meals - 1 worker / 8 days		3	1,600.00
		Subtotal:			14,143.20
		3 - GST 5%			
		GST			707.16
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0					
Total Amount					14,850.36

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8755  
Date: 06/14/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
3		Sheets Puck Board 4 x 10 x 1/2" UMHW	273.00	3	819.00
		Subtotal:			819.00
		3 - GST 5% GST			40.95
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		859.95

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8759  
Date: 06/15/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7  
60" underscreen

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
74	ft	x 60" 400piw 2ply 5/16 x 1/8	103.20	3	7,636.80
		60" splice material		3	420.00
140	km	mileage	1.10	3	154.00
36	hours	Labour	100.00	3	3,600.00
		Meals		3	225.00
		Subtotal:			12,035.80
		3 - GST 5%			
		GST			601.79
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		12,637.59

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111972  
Date: 06/16/2021

Page: 1

### Sold to:

R Bee Aggregate - Liners & Parts  
PO Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate - Liners & Parts  
PO#: Plant 4 RMC Job Site C

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
1	set	HP 400 Bowl Liner & Mantle (Set 411)	11,750.00	3	11,750.00
		Subtotal:			11,750.00
		3 - GST 5% GST			587.50
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		12,337.50

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8761  
Date: 06/16/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #1

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
2	Boxes	Rail Rubber	201.00	3	402.00
		Subtotal:			402.00
		3 - GST 5% GST			20.10
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		422.10

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8774  
Date: 06/18/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Shop  
Transfer Conveyor

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
97	ft	x 36" 330piw 3ply 3/16	45.72	3	4,434.84
		36" splice material		3	252.00
15	hours	Labour	80.00	3	1,200.00
		Meals		3	150.00
		Subtotal:			6,036.84
		3 - GST 5%			
		GST			301.84
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0					
Total Amount					6,338.68

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8789  
Date: 06/24/2021  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #10  
Steve

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
2	Rolls	Urethane 1" x 8" x 50' each	2,764.00	3	5,528.00
20		13" 5DS13SAL	75.31	3	1,506.20
10		42" Dropin Returns (Diamonds)	110.20	3	1,102.00
		Subtotal:			8,136.20
		3 - GST 5% GST			406.81
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		8,543.01

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8788  
Date: 06/24/2021  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #9

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
15		13" 5DS13SAL	75.31	3	1,129.65
15		15" 5DS15SAL	79.11	3	1,186.65
		Subtotal:			2,316.30
		3 - GST 5% GST			115.81
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		2,432.11

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8786  
Date: 06/24/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #6

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
12		Dropin Brackets (Diamond)	10.205	3	122.46
		Subtotal:			122.46
		3 - GST 5% GST			6.12
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		128.58

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8785  
Date: 06/24/2021  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant #7

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
20		Dropin Brackets (Diamond)	10.205	3	204.10
		Subtotal:			204.10
		3 - GST 5% GST			10.21
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		214.31

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8790  
Date: 06/25/2021

Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 7

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
25		5DS13SAL	75.31	3	1,882.75
25		5DS15SAL	79.11	3	1,977.75
3	Boxes	Rail Rubber	201.00	3	603.00
		Subtotal:			4,463.50
		3 - GST 5% GST			223.18
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		4,686.68

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 8801  
Date: 06/29/2021  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Plant 10

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
8		C35-36 35degree idler	200.10	3	1,600.80
2		c20-36 20degree idler	200.10	3	400.20
		Subtotal:			2,001.00
		3 - GST 5%			
		GST			100.05
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		2,101.05

# A-1 Quality Belting Ltd.

Box 782  
Redwater, Alberta T0A 2W0  
Canada  
Phone: 780-961-3301

## INVOICE

Invoice No.: 111975  
Date: 06/30/2021  
Page: 1

### Sold to:

R Bee Aggregate - Belting  
Box 1110  
Gibbons, Alberta T0A 1N0

### Ship to:

R Bee Aggregate Consulting Ltd.  
PO# Bernie

GST: 87526 1208

Qty	Unit	Description	Unit Price	Tax	Amount
		Consulting June 2021		3	25,000.00
		Bernie Reed Benefits			-210.00
		Subtotal:			24,790.00
		3 - GST 5%			
		GST			1,250.00
REMIT to: A-1 Quality Belting Ltd. Box 782, Redwater, AB T0A 2W0			Total Amount		26,040.00



Royal Bank

# RBC® Avion® Visa® Business

A-1 QUALITY BELTING LTD 4516 07\*\* \*\*\*\* 7147

DAVID HOWELLS 4516 07\*\* \*\*\*\* 0270

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 2

## PREVIOUS STATEMENT BALANCE

\$38,019.94

4516 07\*\* \*\*\*\* 7147

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$38,019.94
		SUBTOTAL OF MONTHLY ACTIVITY	-\$38,019.94

4516 07\*\* \*\*\*\* 0270

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 27	OCT 28	CANADIAN DEWATERING LP EDMONTON AB	\$25,204.96
OCT 27	OCT 28	THE KANATA BY BCMINNS FORT SASKATCHEWAN	\$107.91
OCT 28	OCT 29	DIRECT ENERGY REGULATED EDMONTON AB	\$418.90
OCT 28	NOV 01	WOODLANDS INN SUITES FORT NELSON BC	\$134.47
OCT 28	NOV 01	BOSTON PIZZA # 092 FORT NELSON BC	\$236.90
OCT 29	NOV 01	DIRECT ENERGY REGULATED EDMONTON AB	\$119.61
OCT 29	NOV 01	NORTHERN METALIC SALES FORT NELSON BC	\$748.16
OCT 29	NOV 01	TIM HORTONS #4993 FORT NELSON BC	\$47.70
OCT 29	NOV 01	FORT NELSON HOTEL FORT NELSON BC	\$25.90
OCT 29	NOV 01	HUSKY HYTHE 4061 HYTHE AB	\$130.76
OCT 30	NOV 01	TELUS MOBILITY PREAUTH 403-5303586 AB	\$4,434.09
OCT 31	NOV 01	KEEPTRUCKIN ELD&FLEET 855-434-3564 BC	\$520.00
OCT 31	NOV 01	SHELL C22439 FORT SASKATCHEWAN	\$28.89
NOV 02	NOV 04	ARCTEC ALLOYS CALGARY AB	\$1,051.68
NOV 02	NOV 03	MERX /INTERNET LONGUEUIL QC	\$30.45
NOV 02	NOV 03	MERX /INTERNET LONGUEUIL QC	\$34.20
NOV 03	NOV 04	REDWATER REGISTERIES REDWATER AB	\$84.00
NOV 03	NOV 08	MICROTEL INNS AND SUITES 250-7943100 BC	\$150.60
NOV 03	NOV 04	ALBERTA CONSTRUCTION SAFEEDMONTON AB	\$78.75
NOV 03	NOV 04	QUALITY INN WHITECOURT WHITECOURT AB	\$123.97
NOV 04	NOV 04	SHELL C22439 FORT SASKATCHEWAN	\$50.00
NOV 06	NOV 09	MICROTEL INNS AND SUITES 250-7943100 BC	\$150.60
NOV 06	NOV 08	FORT NELSON SUPER 8 MOTEL FORT NELSON BC	\$303.26
NOV 08	NOV 10	REVENUE SERVICES BC VICTORIA BC	\$848.00
NOV 08	NOV 10	SOUTH FORT CHEVROLET LTD FORT SASKATCHEWAN	\$249.65
NOV 09	NOV 10	ROSENAU TRANSPORT LTD EDMONTON AB	\$133.90

**Exhibit:** H for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)

## IMPORTANT INFORMATION

### RBC REWARDS POINTS

Previous Points balance	328,830
Points earned this statement	89,125
New points balance	417,955

### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc rewards.com

### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$120,000.00
Available credit	\$30,875.86
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

### CALCULATING YOUR BALANCE

Previous Statement Balance	\$38,019.94
Payments & credits	-\$38,019.94
Purchases & debits	\$89,124.14
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

**NEW BALANCE \$89,124.14**

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RBC ROYAL BANK  
 CREDIT CARD PAYMENT CENTRE  
 P.O. BOX 4016, STATION "A"  
 TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
**\$89,124.14**

MINIMUM PAYMENT  
**\$10.00**

PAYMENT DUE DATE  
**DEC 16, 2021**

AMOUNT PAID  
**\$**

RBC0150020\_1020837\_009-33547

07848

A-1 QUALITY BELTING LTD  
 DAVID HOWELLS  
 46 CRANBERRY BEND  
 A-1 QUALITY BELTING LTD  
 FORT SASKATCHEWAN AB T8L 0H2

**RBC® Avion® Visa® Business**  
 4516 07\*\* \*\*\*\* 7147 / 4516 07\*\* \*\*\*\* 0270

05839-003  
 ROYAL BANK OF CANADA  
 DEC 14 2021  
 FORT SASKATCHEWAN, ALBERTA  
 05839-003

Quick, convenient and secure ways to pay your credit card bill:  
 • RBC Online Banking at [www.rbcroyalbank.com/online](http://www.rbcroyalbank.com/online)  
 • RBC Mobile app - text "RBC" to 722722 to download

Other payment options include:  
 • RBC Royal Bank ATM  
 • Telephone Banking 1-800-769-2511  
 • By Mail  
 • Deposit form and return with payment (do not send cash)  
 • do not staple or damage form  
 • Visit an RBC Royal Bank branch

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Royal Bank

## RBC® Avion® Visa® Business

A-1 QUALITY BELTING LTD 4516 07\*\* \*\*\*\* 7147

DAVID HOWELLS 4516 07\*\* \*\*\*\* 0270

STATEMENT FROM OCT 28 TO NOV 29, 2021

2 OF 2

### 4516 07\*\* \*\*\*\* 0270 (continued)

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 09	NOV 10	DAWSON CREEK SUPER 8 MOTEDAWSON CREEK BC	\$124.30
NOV 10	NOV 12	DIRECT ENERGY REGULATED EDMONTON AB	\$340.96
NOV 11	NOV 12	MIDWEST INDUSTRIAL SALES 815-4235961 IL	* \$41,818.81
		Foreign Currency-USD 32,623.45 Exchange rate-1.281863	
NOV 16	NOV 17	VERIZON CANADA CAD TORONTO AB	\$1,129.54
NOV 16	NOV 17	ALSCO CANADA CORP. 780-454-9641 AB	\$1,646.36
NOV 18	NOV 19	STAPLES.CA MISSISSAUGA ON	\$15.84
NOV 18	NOV 19	STAPLES.CA MISSISSAUGA ON	\$182.77
NOV 19	NOV 19	XENEX ENTERPRISES INC 416-740-9704 ON	\$661.50
NOV 20	NOV 22	INTEGRA TIRE AUTOPROZ 780-778-8485 AB	\$1,669.79
NOV 20	NOV 22	-FEDEX- *82610760 T1800 46333390N	\$13.12
NOV 22	NOV 24	SELECT EQUIPMENT RENTA ATHABASCA AB	\$1,722.00
NOV 22	NOV 23	DAWSON CREEK SUPER 8 MOTEDAWSON CREEK BC	\$248.60
NOV 24	NOV 25	DAWSON CREEK SUPER 8 MOTEDAWSON CREEK BC	\$124.30
NOV 24	NOV 25	ALBERTA CONSTRUCTION SAFEEDMONTON AB	\$89.25
NOV 25	NOV 26	STAPLES.CA MISSISSAUGA ON	\$27.79
NOV 25	NOV 26	STAPLES.CA MISSISSAUGA ON	\$122.54
NOV 25	NOV 29	LESCO DISTRIBUTORS EDMONTON AB	\$703.82
NOV 25	NOV 26	QUALITY INN WHITECOURT WHITECOURT AB	\$122.11
NOV 26	NOV 29	DIRECT ENERGY REGULATED EDMONTON AB	\$291.16
NOV 27	NOV 29	TELUS MOBILITY PREAUTH 403-5303586 AB	\$2,622.27
		<b>SUBTOTAL OF MONTHLY ACTIVITY</b>	<b>\$89,124.14</b>
		<b>NEW BALANCE</b>	<b>\$89,124.14</b>

### INTEREST RATE CHART

Description	Rate (%)	Remaining Balance**	Expiry Date
Purchases & Fees	19.99	\$89,124.14	

\*\* The "Determination of Interest" section on the back of your statement explains how interest is charged and how you may avoid interest charges on purchases and fees and the "Applying your payments" section explains how payments are applied to the Remaining Balances shown above.

*Checked*

*[Signature]*



Royal Bank

## RBC® Avion® Visa<sup>®</sup> Business

A-1 QUALITY BELTING LTD 4516 07\*\* \*\*\*\* 7212

STEVE WADE 4516 07\*\* \*\*\*\* 9125

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 1

### PREVIOUS STATEMENT BALANCE

**\$1,129.55**

4516 07\*\* \*\*\*\* 7212

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$1,129.55
		SUBTOTAL OF MONTHLY ACTIVITY	-\$1,129.55

4516 07\*\* \*\*\*\* 9125

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 28	OCT 29	BARW EDMONTON #3897 SPRUCE GROVE AB	\$1,671.57
NOV 03	NOV 04	PETROCAN-5404 - 50 STREETDRAYTON VALLEAB	\$151.94
NOV 05	NOV 08	TELUS MOBILITY 705-7923728 ON	\$1,064.79
NOV 10	NOV 12	SUREHIRE INC EDMONTON AB	\$200.69
NOV 15	NOV 15	FORT ST JOHN HHBC FORT ST. JOHNBC	\$349.28
		SUBTOTAL OF MONTHLY ACTIVITY	\$3,438.27

### NEW BALANCE

**\$3,438.27**

### INTEREST RATE CHART

Description	Rate (%)	Remaining Balance**	Expiry Date
Purchases & Fees	19.99	\$3,438.27	

\*\* The "Determination of Interest" section on the back of your statement explains how interest is charged and how you may avoid interest charges on purchases and fees and the "Applying your payments" section explains how payments are applied to the Remaining Balances shown above.

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	8,570
Points earned this statement	3,439
New points balance	12,009

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc Rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$40,000.00
Available credit	\$36,561.73
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$1,129.55
Payments & credits	-\$1,129.55
Purchases & debits	\$3,438.27
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

### NEW BALANCE

**\$3,438.27**

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
**\$3,438.27**

MINIMUM PAYMENT  
**\$10.00**

PAYMENT DUE DATE  
**DEC 16, 2021**

AMOUNT PAID  
**\$**

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00642

A-1 QUALITY BELTING LTD  
STEVE WADE  
46 CRANBERRY BEND  
A-1 QUALITY BELTING LTD  
FORT SASKATCHEWAN AB T8L 0H2

05839-003

ROYAL BANK OF CANADA



DEC 14 2021

FORT SASKATCHEWAN, ALBERTA

05839-By Mail

## RBC® Avion® Visa<sup>®</sup> Business

4516 07\*\* \*\*\*\* 7212 / 4516 07\*\* \*\*\*\* 9125

Quick, convenient and secure ways to pay your credit card bill:

- RBC Online Banking at [www.rbcroyalbank.com/online](http://www.rbcroyalbank.com/online)
- RBC Mobile app - text "RBC" to 727222 to download

Other payment options include:

- RBC Royal Bank ATM
- Telephone Banking 1-800-769-2511

- detail form and return with payment (do not send cash)
- do not staple or damage form
- Visit an RBC Royal Bank branch

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Royal Bank

## RBC® Avion® Visa<sup>®</sup> Business

A-1 QUALITY BELTING LTD 4516 07\*\* \*\*\*\* 7204

RANDY HANSON 4516 07\*\* \*\*\*\* 9091

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 1

### PREVIOUS STATEMENT BALANCE

\$2,786.28

4516 07\*\* \*\*\*\* 7204

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$2,786.28
		SUBTOTAL OF MONTHLY ACTIVITY	-\$2,786.28

4516 07\*\* \*\*\*\* 9091

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 31	NOV 01	1ST CHOICE TRUCK/CAR W WHITECOURT AB	\$22.00
OCT 31	NOV 01	CDN TIRE STORE #00695 WHITECOURT AB	\$63.57
NOV 06	NOV 08	STAPLES STORE #280 F/SASKATCHEWAAB	\$1.46
NOV 06	NOV 08	STAPLES STORE #280 F/SASKATCHEWAAB	\$1.95
NOV 11	NOV 15	THE HOME DEPOT #7222 FORT SASKATCHEWAB	\$147.48
NOV 18	NOV 19	TIM HORTONS #7549 FORT SASKATCHEWAB	\$10.58
NOV 28	NOV 29	STAPLES STORE #280 F/SASKATCHEWAAB	\$2.60
		SUBTOTAL OF MONTHLY ACTIVITY	\$249.64

### NEW BALANCE

\$249.64

### INTEREST RATE CHART

Description	Rate (%)	Remaining Balance**	Expiry Date
Purchases & Fees	19.99	\$249.64	

\*\* The "Determination of Interest" section on the back of your statement explains how interest is charged and how you may avoid interest charges on purchases and fees and the "Applying your payments" section explains how payments are applied to the Remaining Balances shown above.

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	36,959
Points earned this statement	250
New points balance	37,209

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$12,000.00
Available credit	\$11,750.36
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$2,786.28
Payments & credits	-\$2,786.28
Purchases & debits	\$249.64
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

### NEW BALANCE

\$249.64

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
\$249.64

MINIMUM PAYMENT  
\$10.00

PAYMENT DUE DATE  
DEC 16, 2021

AMOUNT PAID  
\$

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A-1 QUALITY BELTING LTD  
RANDY HANSON  
46 CRANBERRY BEND  
A-1 QUALITY BELTING LTD.  
FORT SASKATCHEWAN AB T8L 0H2

05839-003

ROYAL BANK OF CANADA



DEC 14 2021

FORT SASKATCHEWAN, ALBERTA

05839-003

## RBC® Avion® Visa<sup>®</sup> Business

4516 07\*\* \*\*\*\* 7204 / 4516 07\*\* \*\*\*\* 9091

Quick, convenient and secure ways to pay your credit card bill:

- RBC Online Banking at [www.rbcroyalbank.com/online](http://www.rbcroyalbank.com/online)
- RBC Mobile app - text "RBC" to 722722 to download

Other payment options include:

- RBC Royal Bank ATM
- Telephone Banking 1-800-769-2511

- By Mail - detach form and return with payment (do not send cash)
- do not staple or damage form
- Visit an RBC Royal Bank branch

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Royal Bank

## RBC® Avion® Visa<sup>®</sup> Business

A-1 QUALITY BELTING LTD 4516 07\*\* \*\*\*\* 7154

BERNIE REED 4516 07\*\* \*\*\*\* 7312

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 2

**PREVIOUS STATEMENT BALANCE \$1,795.07**

4516 07\*\* \*\*\*\* 7154

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$1,795.07
		<b>SUBTOTAL OF MONTHLY ACTIVITY</b>	<b>-\$1,795.07</b>

4516 07\*\* \*\*\*\* 7312

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 27	OCT 28	MERX /INTERNET LONGUEUIL QC	\$52.50
NOV 01	NOV 02	MERX /INTERNET LONGUEUIL QC	\$52.50
NOV 02	NOV 03	ALLIANCE DISPOSAL 2010 COUNTY OF GRAAB	\$42.00
NOV 03	NOV 05	LAKEVIEW INN & SUITES FORT NELSON BC	\$300.58
NOV 03	NOV 04	EASYDNS.COM ETOBICOKE ON	\$9.45
NOV 16	NOV 17	STAPLES STORE #280 F/SASKATCHEWAAB	\$87.12
NOV 16	NOV 17	GLOBALSTAR MISSISSAUGA ON	\$210.99
NOV 18	NOV 19	MSFT * E0100GINOZ MISSISSAUGA ON	\$369.60
NOV 19	NOV 22	XPLORNET MARKHAM ON	\$104.99
NOV 22	NOV 23	XPLORNET MARKHAM ON	\$104.99
NOV 23	NOV 25	DAYS INN SASKATOON SASKATOON SK	\$236.56
NOV 23	NOV 26	SUPER 8 MOTELS 306-7898833 SK	\$113.19
NOV 23	NOV 26	SUPER 8 MOTELS 306-7898833 SK	\$113.19
NOV 26	NOV 29	SOUTHFORT CAR WASH FORT SASKATCHAB	\$14.00
		<b>SUBTOTAL OF MONTHLY ACTIVITY</b>	<b>\$1,811.66</b>
		<b>NEW BALANCE</b>	<b>\$1,811.66</b>

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	338,000
Points earned this statement	1,812
Points from supplementary accounts	42,622
<b>New points balance</b>	<b>382,434</b>

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc Rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$150,000.00
Available credit	\$148,188.34
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$1,795.07
Payments & credits	-\$1,795.07
Purchases & debits	\$1,811.66
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

**NEW BALANCE \$1,811.66**

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
**\$1,811.66**

MINIMUM PAYMENT  
**\$10.00**

PAYMENT DUE DATE  
**DEC 16, 2021**

AMOUNT PAID  
**\$**

RBC0150020\_1020837\_009-33548

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A-1 QUALITY BELTING LTD  
BERNIE REED  
46 CRANBERRY BEND  
A-1 QUALITY BELTING LTD  
FORT SASKATCHEWAN AB T8L 0H2



RBC® Avion® Visa<sup>®</sup> Business  
4516 07\*\* \*\*\*\* 7154 / 4516 07\*\* \*\*\*\* 7312

Quick, convenient and secure ways to pay your credit card bill:  
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• RBC Mobile app - text "RBC" to 722722 to download

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• Telephone Banking 1-800-769-2511

Detach form and return with payment (do not send cash)  
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- Visit an RBC Royal Bank branch

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Royal Bank

## RBC® Avion® Visa<sup>+</sup> Business

A-1 QUALITY BELTING LTD. 4516 07\*\* \*\*\*\* 7238

JIM WALL 4516 07\*\* \*\*\*\* 0434

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 2

### PREVIOUS STATEMENT BALANCE

\$3,110.99

4516 07\*\* \*\*\*\* 7238

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$3,110.99
		SUBTOTAL OF MONTHLY ACTIVITY	-\$3,110.99

4516 07\*\* \*\*\*\* 0434

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 28	NOV 01	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$105.39
OCT 29	NOV 01	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$97.54
NOV 04	NOV 08	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$111.00
NOV 05	NOV 08	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$111.00
NOV 08	NOV 10	PROVINCIAL PERMIT CENTRE DAWSON CREEK BC	\$195.00
NOV 08	NOV 10	MYALBERTA FINE PAYMENT EDMONTON AB	\$486.00
NOV 18	NOV 22	PROVINCIAL PERMIT CENTRE DAWSON CREEK BC	\$159.00
NOV 18	NOV 22	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$111.00
NOV 20	NOV 22	PROVINCIAL PERMIT CENTRE DAWSON CREEK BC	\$89.00
NOV 20	NOV 22	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$222.00
NOV 21	NOV 23	PROVINCIAL PERMIT CENTRE DAWSON CREEK BC	\$80.00
NOV 22	NOV 24	PROVINCIAL PERMIT CENTRE DAWSON CREEK BC	\$80.00
NOV 23	NOV 25	PROV PERMIT CTR DAWSON CRDAWSON CREEK BC	\$30.00
NOV 24	NOV 25	ANYTIME TOWING AND RECOVERCAMROSE AB	\$756.00
NOV 24	NOV 25	CAMROSE AUTOWRECKERS CAMROSE AB	\$756.00
NOV 24	NOV 25	CAMROSE AUTOWRECKERS CAMROSE AB	\$756.00
NOV 26	NOV 29	PROVINCIAL PERMIT CENTRE DAWSON CREEK BC	\$169.00
NOV 27	NOV 29	STANFORD INN & SUITES GR GRAND-PAIRIEAB	\$111.00
		SUBTOTAL OF MONTHLY ACTIVITY	\$2,912.93

### NEW BALANCE

\$2,912.93

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	47,003
Points earned this statement	2,913
New points balance	49,916

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc Rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$8,000.00
Available credit	\$5,087.07
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$3,110.99
Payments & credits	-\$3,866.99
Purchases & debits	\$3,668.93
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

### NEW BALANCE

\$2,912.93

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
\$2,912.93

MINIMUM PAYMENT  
\$10.00

PAYMENT DUE DATE  
DEC 16, 2021

AMOUNT PAID  
\$

RBC0150020\_1020837\_009-33552

07851

A-1 QUALITY BELTING LTD.  
JIM WALL  
46 CRANBERRY BEND  
A-1 QUALITY BELTING LTD  
FORT SASKATCHEWAN AB T8L 0H2

**RBC® Avion® Visa<sup>+</sup> Business**  
4516 07\*\* \*\*\*\* 7238 / 4516 07\*\* \*\*\*\* 0434

**ROYAL BANK OF CANADA**

**DEC 14 2021**

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- Telephone Banking 1-800-769-2511

Detach form and return with payment (do not send cash)  
- do not staple or damage form  
- Visit an RBC Royal Bank branch

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Royal Bank

## RBC® Avion® Visa<sup>®</sup> Business

A-1 QUALITY BELTING LTD 4516 07\*\* \*\*\*\* 7162

CORY REED 4516 07\*\* \*\*\*\* 9034

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 2

### PREVIOUS STATEMENT BALANCE

\$9,520.71

4516 07\*\* \*\*\*\* 7162

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$9,520.71
		SUBTOTAL OF MONTHLY ACTIVITY	-\$9,520.71

4516 07\*\* \*\*\*\* 9034

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 26	OCT 28	MOTION IND BC46 211P243FORT ST JOHN BC	\$441.10
NOV 04	NOV 05	P&J WATER SERVICES (1987)CHARLIE LAKE BC	\$225.00
NOV 10	NOV 16	WOODLANDS INN SUITES FORT NELSON BC	\$628.28
NOV 11	NOV 12	FORT NELSON ESSO FORT NELSON BC	\$90.67
NOV 12	NOV 15	DIEMERT HOME HARDWARE FORT NELSON BC	\$46.98
NOV 12	NOV 15	SKINNER BROS. TRANSPOR FORT NELSON BC	\$307.58
NOV 16	NOV 18	ACCRO AUTO PARTS INC FORT ST JOHN BC	\$143.73
NOV 17	NOV 18	APPLIED SCIENCE TECH SURREY BC	\$411.08
NOV 19	NOV 22	PETRON COMMUNICATIONS LTDFORT ST. JOHNBC	\$56.00
NOV 19	NOV 22	PETRON COMMUNICATIONS LTDFORT ST. JOHNBC	\$1,165.08
NOV 20	NOV 22	P&J WATER SERVICES (1987)CHARLIE LAKE BC	\$100.00
NOV 21	NOV 22	CDN TIRE STORE #00363 FORT ST JOHN BC	\$147.78
NOV 25	NOV 29	MOTION IND BC46 211Y2RFFORT ST JOHN BC	\$782.67
NOV 26	NOV 29	THE HOME DEPOT #7175 GRNDE PRAIRIEAB	\$896.39
NOV 26	NOV 29	MOTION IND BC46 211Y7HCFORT ST JOHN BC	\$267.32
NOV 27	NOV 29	CDN TIRE STORE #00363 FORT ST JOHN BC	\$39.40
		SUBTOTAL OF MONTHLY ACTIVITY	\$5,749.06

NEW BALANCE

\$5,749.06

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	73,747
Points earned this statement	5,750
New points balance	79,497

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc Rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$40,000.00
Available credit	\$34,250.94
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$9,520.71
Payments & credits	-\$9,520.71
Purchases & debits	\$5,749.06
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

NEW BALANCE

\$5,749.06

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
\$5,749.06

MINIMUM PAYMENT  
\$10.00

PAYMENT DUE DATE  
DEC 16, 2021

AMOUNT PAID  
\$

RBC0150020\_1020837\_009-33549

07850

A-1 QUALITY BELTING LTD  
CORY REED  
46 CRANBERRY BEND  
A-1 QUALITY BELTING LTD  
FORT SASKATCHEWAN AB T8L 0H2

05839-003  
ROYAL BANK OF CANADA



DEC 14 2021

FORT SASKATCHEWAN, ALBERTA

05839-003

RBC® Avion® Visa<sup>®</sup> Business  
4516 07\*\* \*\*\*\* 7162 / 4516 07\*\* \*\*\*\* 9034

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Other payment options include:

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• Telephone Banking 1-800-769-2511

• By Mail

• detach form and return with payment (do not send cash)  
• do not staple or damage form  
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Royal Bank

## RBC® Avion® Visa<sup>®</sup> Business

A-1 QUALITY BELTING LTD. 4516 07\*\* \*\*\*\* 5164

CORY HANCAR 4516 07\*\* \*\*\*\* 7636

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 1

### PREVIOUS STATEMENT BALANCE

\$135.98

4516 07\*\* \*\*\*\* 5164

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$135.98
		SUBTOTAL OF MONTHLY ACTIVITY	-\$135.98

4516 07\*\* \*\*\*\* 7636

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 27	OCT 29	MCDONALD'S #25029 DRAYTON VALLEAB	\$16.79
OCT 29	NOV 01	DRAYTON'S PRIDE CAR & TRUDRAYTON VALLEAB	\$32.81
NOV 04	NOV 04	FOX CREEK HOME HARDWARE BFOX CREEK AB	\$165.84
NOV 08	NOV 09	GRIMSHAW TRUCKING SLAVE LAKE AB	\$762.41
		SUBTOTAL OF MONTHLY ACTIVITY	\$977.85

### NEW BALANCE

\$977.85

### INTEREST RATE CHART

Description	Rate (%)	Remaining Balance**	Expiry Date
Purchases & Fees	19.99	\$977.85	

\*\* The "Determination of Interest" section on the back of your statement explains how interest is charged and how you may avoid interest charges on purchases and fees and the "Applying your payments" section explains how payments are applied to the Remaining Balances shown above.

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	0
Points earned this statement	978
Points adjusted this statement	(978)
New points balance	0

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc Rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$8,000.00
Available credit	\$7,022.15
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$135.98
Payments & credits	-\$135.98
Purchases & debits	\$977.85
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

### NEW BALANCE

\$977.85

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
\$977.85

MINIMUM PAYMENT  
\$10.00

PAYMENT DUE DATE  
DEC 16, 2021

AMOUNT PAID  
\$

RBC0150020\_1020837\_009-37138

A-1 QUALITY BELTING LTD.  
CORY HANCAR  
SUITE A  
46 CRANBERRY BEND  
FORT SASKATCHEWAN AB T8L 0H2

## RBC® Avion® Visa<sup>®</sup> Business

4516 07\*\* \*\*\*\* 5164 / 4516 07\*\* \*\*\*\* 7636

05839-003

RBC BANK OF CANADA

DEC 14 2021

FORT SASKATCHEWAN, ALBERTA

05839-003

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- RBC Mobile app - text "RBC" to 722722 to download

Other payment options include:  
- RBC Royal Bank ATM  
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By Mail  
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Royal Bank

## RBC® Avion® Visa<sup>®</sup> Business

A-1 QUALITY BELTING LTD. 4516 07\*\* \*\*\*\*\* 5550

DEREK MARTIN 4516 07\*\* \*\*\*\*\* 5568

STATEMENT FROM OCT 28 TO NOV 29, 2021

1 OF 2

### PREVIOUS STATEMENT BALANCE

\$42,514.01

4516 07\*\* \*\*\*\*\* 5550

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 04	NOV 04	PAYMENT - THANK YOU / PAIEMENT - MERCI	-\$42,514.01
		SUBTOTAL OF MONTHLY ACTIVITY	-\$42,514.01

4516 07\*\* \*\*\*\*\* 5568

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
OCT 27	OCT 29	EDMONTON GEAR CENTRE L EDMONTON AB	-\$4,200.00
OCT 27	OCT 29	SOUTH FORT CHEVROLET LTD FORT SASKATCHEWAN	\$173.95
NOV 01	NOV 02	NORTHERN METALIC SALES FORT NELSON BC	\$397.82
NOV 01	NOV 02	COOPER BROS AUTO ELECT EDMONTON AB	\$551.25
NOV 01	NOV 02	SKINNER BROS. TRANSPOR FORT NELSON BC	\$518.65
NOV 02	NOV 03	FIRST CHOICE ELECTRIC SUPGRANDE PRAIRIE AB	\$861.21
NOV 03	NOV 04	CRYSTAL GLASS CDA LTD 205FT SASK AB	\$496.13
NOV 03	NOV 04	NORTHERN METALIC SALES FORT NELSON BC	\$306.02
NOV 03	NOV 04	SKINNER BROS. TRANSPOR FORT NELSON BC	\$440.60
NOV 03	NOV 05	THE HOME DEPOT #7222 FORT SASKATCHEWAN	\$2,408.95
NOV 04	NOV 05	KRISTIAN ELECTRIC LTD EDMONTON AB	\$115.71
NOV 04	NOV 08	WESMAT SUPPLIES LTD EDMONTON AB	\$479.59
NOV 05	NOV 08	CRYSTAL GLASS CDA LTD 205FT SASK AB	\$298.10
NOV 05	NOV 08	EXPERT MOBILE COMMUNICATIGRANDE PRAIRIE AB	\$203.79
NOV 05	NOV 08	INLAND KENWORTH FORT ST. FORT ST. JOHN BC	\$1,130.72
NOV 05	NOV 05	CLOVERDALE PAINT #50 EDMONTON AB	\$5,620.81
NOV 08	NOV 10	BC BEARING AB52 211SM9QGRANDE PRAIRIE AB	\$1,875.01
NOV 08	NOV 09	STAPLES.CA MISSISSAUGA ON	\$368.41
NOV 08	NOV 09	NORTHERN METALIC SALES FORT NELSON BC	\$488.78
NOV 09	NOV 10	NORTHERN METALIC SALES FORT NELSON BC	\$380.76
NOV 10	NOV 12	THE HOME DEPOT #7222 FORT SASKATCHEWAN	\$574.35
NOV 12	NOV 15	ROSENAU TRANSPORT LTD EDMONTON AB	\$132.92
NOV 15	NOV 16	NORTHERN METALIC SALES FORT NELSON BC	\$373.13
NOV 15	NOV 16	SKINNER BROS. TRANSPOR FORT NELSON BC	\$121.79
NOV 15	NOV 16	FGP50206 FAS GAS REDWA REDWATER AB	\$53.99
NOV 15	NOV 16	SQ *RENE'S VACUUM SERVICESTURGEON COUNAB	\$272.50

### IMPORTANT INFORMATION

#### RBC REWARDS POINTS

Previous Points balance	0
Points earned this statement	19,426
Points adjusted this statement	(19,426)
New points balance	0

#### CONTACT US

Customer Service/Lost & Stolen	1-800-769-2512
Collect Outside North America	(416) 974-7780
RBC Rewards Travel Redemption	1-877-636-2870
Merchandise Redemption	1-800-769-2512
Web site	www.rbc Rewards.com

#### PAYMENTS & INTEREST RATES

Minimum payment	\$10.00
Payment due date	DEC 16, 2021
Credit limit	\$50,000.00
Available credit	\$30,574.02
Annual interest rates:	
Purchases	19.99%
Cash advances	22.99%

#### CALCULATING YOUR BALANCE

Previous Statement Balance	\$42,514.01
Payments & credits	-\$46,714.01
Purchases & debits	\$23,625.98
Cash advances	\$0.00
Interest	\$0.00
Fees	\$0.00

**NEW BALANCE \$19,425.98**

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RBC ROYAL BANK  
CREDIT CARD PAYMENT CENTRE  
P.O. BOX 4016, STATION "A"  
TORONTO, ONTARIO M5W 2E6

NEW BALANCE  
\$19,425.98

MINIMUM PAYMENT  
\$10.00

PAYMENT DUE DATE  
DEC 16, 2021

AMOUNT PAID  
\$

RBC0150020\_1020837\_010-40826

A-1 QUALITY BELTING LTD.  
DEREK MARTIN  
SUITE A  
46 CRANBERRY BEND  
FORT SASKATCHEWAN AB T8L 0H2



## RBC® Avion® Visa<sup>®</sup> Business

4516 07\*\* \*\*\*\*\* 5550 / 4516 07\*\* \*\*\*\*\* 5568

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A-1 QUALITY BELTING LTD. 4516 07\*\* \*\*\*\* 5550

DEREK MARTIN 4516 07\*\* \*\*\*\* 5568

STATEMENT FROM OCT 28 TO NOV 29, 2021

2 OF 2

**4516 07\*\* \*\*\*\* 5568 (continued)**

TRANSACTION DATE	POSTING DATE	ACTIVITY DESCRIPTION	AMOUNT (\$)
NOV 18	NOV 19	FIRST CHOICE ELECTRIC SUPGRANDE PRAIRIAB	\$132.90
NOV 18	NOV 19	WEST EDMONTON RADIATOR 780-4558844 AB	\$4,575.64
NOV 25	NOV 26	SQ *RENE'S VACUUM SERVICESTURGEON COUNAB	\$272.50
SUBTOTAL OF MONTHLY ACTIVITY			\$19,425.98
NEW BALANCE			\$19,425.98

**INTEREST RATE CHART**

Description	Rate (%)	Remaining Balance**	Expiry Date
Purchases & Fees	19.99	\$19,425.98	

\*\* The "Determination of Interest" section on the back of your statement explains how interest is charged and how you may avoid interest charges on purchases and fees and the "Applying your payments" section explains how payments are applied to the Remaining Balances shown above.

## Valks, Olivia

**From:** Johnson, Jeff J. <JJJohnson@bdo.ca>  
**Sent:** Wednesday, February 28, 2024 1:08 PM  
**To:** Russ Rimer  
**Cc:** Berniea1belting@gmail.com; David Howells  
**Subject:** \$800,000 Loan

**Exhibit:** I for Identification  
**Date:** March 20, 2024  
**Witness:** Bernie Allan Reed  
**Court Reporter:** Derek Lopez, CSR(A)

**EXTERNAL:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Russ,

Here is the run down of the \$800,000 loan.

A1 Quality Belting put \$200K in on Feb 25, 2021 and \$100K in on Feb 26, 2021 to cover a shortage at the CWB for the line of credit because we needed some cash flow to fund the payables that we had over the winter.

Sometime in June 2021 CWB called and said that we were offside on our Margin account and the shareholder's needed to put in a \$1M to get it back on side. It was agreed to with Tim Oldfield and Bernie Reed that each of the shareholders would put in another \$500,000 to get the LOC back onside with CWB. Both sides agreed that this was a short-term loan with interest that was to be repaid as soon as our margin reporting was done for July 2021 as we would then have enough cash on the LOC to repay both parties. It was also noted at the time that A1 had put an additional \$300K into the company in February and this money would be repaid with the additional \$500K. Tim agreed with this and we proceeded to move forward with the plan.

We completed margin reporting in August of 2021 and filed it with the CWB to increase our LOC. Once approved the \$800K to A1 and the \$500K to Crown was repaid as agreed to by all parties.

Feb 26, 2021	Rbee Aggregate			100,000.00		156,885.55
Feb 25, 2021	Rbee Aggregate			200,000.00		356,885.55
Feb 25, 2021	Ritchie Bros. Auctioneers (Canada) Ltd.		AJE 42	103,493.39		460,378.94
Mar 31, 2021	Carson International	0604612531-01	J13995		6,085.52	454,293.42
Jul 26, 2021				510,000.00		964,293.42
Aug 20, 2021					800,000.00	164,293.42
Sep 30, 2021		AJE 26			45,100.00	119,193.42

We can chat about it today.

Jeff

Jeff Johnson, CPA, CA  
Partner  
BDO Canada LLP  
Tel: 250 832 7171  
[jjjohnson@bdo.ca](mailto:jjjohnson@bdo.ca)

[www.bdo.ca](http://www.bdo.ca)

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# APPENDIX “D”

Fisher Transcript (section 163 examination)

Clerk's stamp:

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QUESTIONING OF JANET ELEANOR FISHER

FORT SASKATCHEWAN, ALBERTA

BY J. MACKINNON

HELD MARCH 18, 2024

VIA REMOTE VIDEO

---

COURT FILE NUMBER                      25-2831494

COURT                                      COURT OF KING'S BENCH  
                                                 OF ALBERTA

JUDICIAL CENTRE                      CALGARY

APPLICANT                              FTI CONSULTING CANADA INC.,  
                                                 SOLELY IN ITS CAPACITY AS  
                                                 LICENSED INSOLVENCY TRUSTEE  
                                                 OF THE BANKRUPT ESTATE OF  
                                                 RBEE AGGREGATE CONSULTING  
                                                 LTD.

RESPONDENTS                              A-1 QUALITY BELTING LTD.,  
                                                 1258311 ALBERTA LIMITED,  
                                                 BERNIE REED, JANET FISHER

10 FOR THE APPLICANT:

18 FOR THE RESPONDENTS:

19 R.A. Rimer (Remote Apperance)  
20 Duncan Craig LLP  
21 2800, 10060 Jasper Avenue  
22 Edmonton, Alberta  
23 780-428-6036

1 OFFICIAL COURT REPORTER:  
2 D. Lopez, CSR(A), RPR  
3 Dicta Court Reporting Inc.  
4 760, 1015-4 Street SW  
5 Calgary, Alberta  
6 403-531-0590

7

8 (PROCEEDINGS COMMENCED AT 10:03 AM)

9 JANET ELEANOR FISHER, Sworn, Examined by J. MacKinnon

10 Q J. MACKINNON: If you could please state your  
11 name for the record to get started, Janet.

12 A My name is Janet Eleanor Fisher.

13 Q Thank you.

14 And you understand that the oath you swore to the  
15 court reporter is binding on your conscience?

16 A Yes.

17 Q Okay. Thank you for being here today, Ms. Fisher. My  
18 name is Jessica MacKinnon, and I will be asking you  
19 some of the questions today. Before we begin, I have  
20 to ask you some questions that are required because we  
21 are proceeding by way of remote questioning.

22 Do you certify, confirm, and undertake that you  
23 have agreed to be questioned by way of videoconference  
24 and that the evidence that you give today may be used  
25 by any party in accordance with the Alberta Rules of  
26 Court and any other applicable laws of evidence?

27 A Yes.

1 Q And have you reviewed the Alberta Protocol for Remote  
2 Questioning which was revised on May 5th, 2020, and you  
3 agree to comply with all parts of that protocol and be  
4 bound by it?

5 A Yes.

6 Q And you will not record or broadcast these proceedings  
7 in any manner, and you understand that if you breach  
8 this promise and undertaking, you may be subject to  
9 legal sanction, including proceedings for civil  
10 contempt of court?

11 A Yes.

12 Q Perfect. And just to confirm, you do have a stable  
13 internet connection, and you can see and hear me and  
14 the court reporter?

15 A Yes, I can.

16 Q Perfect. Can you confirm that you will not mute or  
17 turn off your microphone, your camera, speakers, or  
18 move out of view of the camera during these proceedings  
19 unless directed to do so by me, your lawyer, or by the  
20 court reporter?

21 A Yes. I will not.

22 Q Thank you.

23 And you will not view during these proceedings any  
24 device, documents, apps, or other information other  
25 than those presented to you in the virtual meeting or  
26 available in the online records depository created for  
27 these proceedings?

1 A Yes.

2 Q Perfect.

3 And can you confirm that you have closed and will  
4 not reopen any other windows on your computer during  
5 these proceedings?

6 A Yes. Everything's closed, yeah.

7 Q Thank you.

8 And have you taken steps to disable any pop-up  
9 notifications that you expect would interrupt these  
10 proceedings or immediately close any pop-ups that may  
11 appear?

12 A I have not.

13 Q Okay.

14 A I don't know how to do that. Sorry.

15 Q Okay. Can you just confirm that you will close any  
16 pop-ups as they pop up, then?

17 A Yes, I will.

18 Q Okay. Thank you.

19 Except for your lawyer, you will not communicate  
20 with anyone in any way outside of this virtual meeting  
21 during the proceedings?

22 A Right.

23 Q Perfect. At any time today, if I ask you any questions  
24 and you don't hear me or you don't understand the  
25 questions, will you let me know?

26 A Yes, I will.

27 Q Thank you.

1           So you understand that you are here to answer  
2           questions with respect to the notice of appointment for  
3           questioning that was issued on January 24th of this  
4           year?

5    A    Sure.

6    Q    Have you seen a copy of that notice?

7    A    I don't remember.

8    Q    Okay.

9    A    Honestly, probably.

10   Q    Okay. For the record, we can share it for the screen  
11       just to jog your memory.

12   A    Okay.

13       C. KELIHER:                   Just bear with me for a  
14       second.

15       J. MACKINNON:                Yeah. No problem.

16       R. RIMER:                    Yeah. For the record  
17       Ms. Fisher would have seen this probably before  
18       Christmas. I don't know if she's reviewed it since.

19       J. MACKINNON:                Okay.

20       R. RIMER:                    Actually, and then there was  
21       the revised -- the revised notice to attend for  
22       questioning -- and that was sent with lower conduct  
23       money just because we're going remotely instead of to  
24       Calgary -- that was forwarded to Ms. Fisher within a  
25       day or two of my (INDISCERNIBLE) with Mr. Keliher.

26

27   Q    J. MACKINNON:               Perfect. So this is just the

1 notice of appointment that I'm referencing here. Have  
2 you seen this document?

3 A No. I don't remember it.

4 Q Okay. So I will just confirm, then, this notice was  
5 issued in connection with the bankruptcy proceedings of  
6 RBee Aggregate Consulting Limited. Are you aware of  
7 that?

8 A Yes, I am.

9 Q Perfect. So this document just sets out that you are  
10 required to attend questioning today and sets out the  
11 conditions under which that you are attending today.

12 A Okay.

13 Q Thank you.

14 R. RIMER: Yeah. If I can interject just  
15 a bit.

16 Ms. Fisher, I did send this to you and to Mr. Reed  
17 shortly after I received it from Mr. Keliher. I do  
18 have a cheque sitting in my office, but, of course, I  
19 have not seen you other than talked to you on the phone  
20 and some video meetings 'cause you've been out of the  
21 country. So I'm holding a conduct money cheque for, it  
22 looks like, 80 dollars that Mr. Keliher's office  
23 issued -- sent to me, and I've got Mr. Reed's cheque  
24 here as well. But -- yeah. This notice was sent to  
25 you back in January saying, yes, you have to attend,  
26 and this is what we're giving today for you to answer  
27 any questions that are put to you.

1 A Okay.

2 J. MACKINNON: Thank you.

3 Mr. Keliher, you can stop sharing. Thank you.

4 Q J. MACKINNON: So we've established that you  
5 understand that the notice and the questioning here is  
6 in respect of the bankruptcy of RBee Aggregate  
7 Consulting Limited, then; correct?

8 A Yes.

9 Q Perfect. And if I refer to RBee Aggregate Consulting  
10 Limited as "RBee", you'll understand what I mean?

11 A I will.

12 Q Thank you.

13 So are you aware that the notice was issued by the  
14 trustee in bankruptcy of RBee, then?

15 A Yes.

16 Q Thank you.

17 And are you aware that the notice was issued in  
18 connection with an application that was filed by the  
19 trustee in August of 2023?

20 A Sure.

21 Q Okay. So this application, then, are you aware that it  
22 relates to an application for an order for, among other  
23 things, to set aside certain transactions made by RBee  
24 on the basis that those -- or those payments were  
25 preferences -- fraudulent preferences, fraudulent  
26 transfers, or fraudulent conveyances?

27 A Yes.

1 Q Okay. Have you seen or reviewed a copy of that  
2 application?

3 A Oh, here we go again. I'm going to be really blunt  
4 with you guys. I see emails; I don't read them. But  
5 when Russ phones me and explains them, that's when I  
6 hear about them.

7 Q Okay.

8 A Yeah.

9 R. RIMER: Just to interject, if I may,  
10 the copies of the notice of application filed, I  
11 believe you said, was August, and then the hearing date  
12 set while we go through this process, that was all  
13 forwarded to Mr. Reed soon after I received same which  
14 I believe was in late 2023. That would have been  
15 forwarded to Ms. Fisher as well and then had detailed  
16 discussions with Ms. Fisher and is -- sorry -- with  
17 Ms. Fisher and Mr. Reed about what the -- the issues  
18 are in play, yes.

19 Q J. MACKINNON: Okay. So, Ms. Fisher, then,  
20 are you aware that the application relates to  
21 overturning some transactions that have been made by  
22 RBee both to you and to companies of which you are a  
23 director and shareholder of?

24 A Yes.

25 Q Thank you.

26 So you're aware that some of these transactions  
27 relate to both you personally and a company called

1           1258311 Alberta Limited?

2     A     Yes.

3     Q     Thank you.

4           And if I refer to 1258311 Alberta Limited as  
5     either "125" or "125 Alberta", you'll understand what I  
6     mean?

7     A     Yes.

8     Q     Thank you.

9           So I have a feeling I know the answer to this  
10    question too, but on January 25th, 2024, a schedule  
11    listing the various related-party transactions that are  
12    going to be discussed today was forwarded to your legal  
13    counsel. Have you reviewed a copy of that  
14    related-party transaction listing?

15    A     You're going to be surprised, but, yes, I have reviewed  
16    it.

17    Q     Okay. Perfect.

18           So for the record I may just ask Mr. Keliher to  
19    pull up a copy of that so we can mark it for  
20    identification purposes.

21           Ms. Fisher, do you recognize this document?

22    A     I do.

23    Q     And can you confirm that this is the -- a schedule  
24    listing the various transactions that we just  
25    discussed?

26    A     Yes, I can.

27    Q     Perfect.

1 J. MACKINNON: If we could mark this document  
2 as an exhibit, please. So this document will be marked  
3 as Exhibit 1.

4 EXHIBIT 1 - Related-party transaction listing  
5 with look-back period dated May 18, 2021, to  
6 May 18, 2022

7 Q J. MACKINNON: And have you reviewed the  
8 transactions listed in the schedule?

9 A I have.

10 Q And, in particular, the transactions listed on the  
11 right-hand side under the columns "125 Alberta" and  
12 "Fisher"?

13 A Yes.

14 Q Perfect. So I'm just going to return to the notice of  
15 appointment for questioning briefly. These notices  
16 that were directed to you relate to these related-party  
17 transactions, and the notice has asked you to bring any  
18 records relating to the assets, the liabilities,  
19 income, expenses, and financial position of RBee. Did  
20 you happen to bring any records with you today?

21 A I did not.

22 Q Okay. And can you explain why --

23 R. RIMER: Can I just interject?

24 Ms. MacKinnon, you said financial records of RBee. I'm  
25 curious as to why Ms. Fisher would have records of  
26 RBee. She's got no shareholder interest and was never  
27 a director of RBee.

1 J. MACKINNON: It's any information that you  
2 may have that relates to RBee, to be clear.

3 R. RIMER: Okay.

4 Q J. MACKINNON: Okay. And can you explain why  
5 you did not bring any records with you today?

6 A I have no interest in RBee, never have had.

7 Q Okay. But you can confirm that both yourself and  
8 125 Alberta did have relations with RBee and received  
9 payments from RBee?

10 A Yes, we did. Yes, I did.

11 Q Perfect.

12 So the notice also requires you to bring records  
13 relating to the payments from RBee to you or  
14 125 Alberta. Did you bring any records relating to  
15 payments to 125 Alberta?

16 A I did not.

17 Q Okay. And can you explain why not?

18 A Because I don't have those records, never have had.

19 Q Okay. And what about any records relating to payments  
20 made to you in your personal capacity?

21 A I didn't bring those either.

22 Q And can you explain why not?

23 A Because my accountant looks after that stuff.

24 Q So other than the -- reviewing the notice and the  
25 schedule listing the various related-party transactions  
26 and, of course, excluding any discussions that you may  
27 have had with legal counsel, did you take any steps to

1           prepare for questioning today?

2     A     No, I did not.

3     Q     Okay. So throughout this questioning, I will direct  
4           you mainly to the schedule of transactions which is  
5           shared here on the screen still and potentially any  
6           other documents.

7           But, for convenience, Mr. Keliher will be the one  
8           to show the relevant portions of the evidence that we  
9           will be discussing on the shared screen. Please let me  
10          know if at any point you're unable to see any of the  
11          evidence or anything shown to you on the screen.

12    A     Okay.

13    Q     Okay. Thank you.

14          Okay. For the record, can you please confirm  
15          where you reside.

16    A     Fort Saskatchewan.

17    Q     And that's located in Alberta?

18    A     It is, yes.

19    Q     Perfect. And does anyone live in the property with  
20          you?

21    A     Yes.

22    Q     Who lives with you?

23    A     Bernie Reed.

24    Q     And what is your relationship to Mr. Reed?

25    A     He's my common-law husband.

26    Q     And how long have you been common-law?

27    A     30 years.

1 Q Okay. Perfect. Thank you.

2 Let's turn to RBee a little bit. Are you familiar  
3 with the company RBee?

4 A I am.

5 Q Were you ever employed by the company?

6 A No.

7 Q Did you ever perform any work for or on behalf of the  
8 company?

9 A No.

10 Q Are you familiar with who owned or are responsible for  
11 RBee?

12 A Vaguely, yes.

13 Q Can you elaborate on that answer, please.

14 A I know that Bernie Reed was part of that company, but  
15 that's as far as I can go. I don't know who else was  
16 involved.

17 Q Okay. So you're aware that Mr. Reed was once a  
18 director of RBee?

19 A Yes.

20 Q And are you aware that he was also the president of  
21 RBee?

22 A No. I didn't know that until just now.

23 Q Okay. So are you aware of any of his day-to-day  
24 responsibilities at RBee?

25 A Vaguely, yes.

26 Q Can you elaborate, please.

27 A Well, he came and went from my house and told me he was

1           going to the shop to work, so I gathered that -- that  
2           he was working for RBee. I mean, that's -- basically  
3           that's what I know.

4       Q     Okay. And he didn't discuss any other aspects of his  
5           involvement with RBee to you?

6       A     No.

7       Q     Okay. Do you know how long he was a director of the  
8           company?

9       A     No.

10      Q     Okay. So then I take it you don't know when he stopped  
11           being a director of RBee?

12      A     No.

13      Q     Okay. Are you aware that RBee was placed into  
14           receivership on March 11th of 2022?

15      A     I did hear that, yes.

16      Q     Okay. And are you aware that RBee was subsequently  
17           placed into bankruptcy on May 18th of the same year?

18      A     I did hear that, but I don't -- didn't know the date  
19           for sure.

20      Q     Okay. Thank you.

21                 So turning to 125 Alberta. You are a director of  
22           the company; is that correct?

23      A     Yes, I am.

24      Q     Perfect. And you are a 50 percent shareholder of the  
25           company as well?

26      A     Yes.

27      Q     And how long have you been a director and shareholder

- 1 of 125 Alberta?
- 2 A Since inception. Which I don't know when that was.
- 3 Q Okay. And do you have any other roles with
- 4 125 Alberta?
- 5 A No.
- 6 Q So you've never played any role in the financial
- 7 affairs in the company at all?
- 8 A I look at the financials. Yes, I do.
- 9 Q Okay.
- 10 A I send them to the accountant. He phones me once a
- 11 year.
- 12 Q Okay. And what type of business does 125 Alberta
- 13 operate?
- 14 A It's a rental.
- 15 Q What type of rental company?
- 16 A Like, holding company, I guess you'd call it.
- 17 Q Okay.
- 18 A It holds a rental property.
- 19 Q Oh, property. Okay.
- 20 A M-hm.
- 21 Q And what does your involvement look like in the
- 22 day-to-day operations of 125?
- 23 A Oh, zero.
- 24 Q Zero.
- 25 A I have no involvement in it on a day-to-day.
- 26 Q Okay. So who is involved in the day-to-day, then?
- 27 A Well, there isn't really a lot except for the rental

1 income that comes in as far as I know, so it's mostly  
2 the accountant, honestly.

3 Q Right. And Mr. Reed is also a director of the company?

4 A He is, yes.

5 Q And he is the other 50 percent shareholder?

6 A Yes, he is.

7 Q And has he been a director and shareholder since its  
8 inception as well?

9 A He has.

10 Q Thank you.

11 So what is Mr. Reed's role in the day-to-day  
12 operations of 125 Alberta, then?

13 A Oh, you'd have to ask him. I mean -- I -- I don't know  
14 what he does.

15 Q Okay.

16 A He doesn't -- yeah. I don't know.

17 Q Okay. And who signs agreements on behalf of the  
18 company?

19 A He does mostly.

20 Q When you say "mostly", does that mean you do sometimes?

21 A Well, I don't ever -- no. He does because I don't ever  
22 remember signing anything. So he, obviously, does.

23 Yes.

24 Q Okay. And who's responsible for collecting payments on  
25 those lease agreements?

26 A The accountant, I would say. M-hm.

27 Q Perfect. So you don't see any of the -- the cheques,

- 1           the agreements as they come in?
- 2    A    Not -- well, once in a while.  Yeah.  I do see them
- 3           once in a while, yeah.
- 4    Q    Okay.
- 5    A    If something came in, I would.  Yeah.  Maybe.
- 6    Q    Okay.  And is there anyone else other than the
- 7           accountant and Mr. Reed who would be responsible for
- 8           administering any of the other day-to-day affairs of
- 9           the company?
- 10   A    We did have a bookkeeper, yeah.
- 11   Q    Bookkeeper.
- 12   A    Yeah.
- 13   Q    Okay.  So I understand that 125 Alberta entered into a
- 14           lease agreement with RBee on or around October 31st of
- 15           2017 for the lease of certain properties situated in
- 16           Sturgeon County; is that correct?
- 17   A    That would be correct.
- 18   Q    Okay.  And I believe this property is typically
- 19           referred to as the "Gibbons yard"?
- 20   A    Yes, it is.
- 21   Q    And are you familiar with the lease agreement between
- 22           125 Alberta and RBee?
- 23   A    Yes, I am familiar.  Yeah.
- 24   Q    Perfect.  And you've seen a copy of this lease
- 25           agreement?
- 26   A    I don't remember seeing a copy of it, honestly, no.
- 27   Q    Okay.  Perhaps it would be useful to mark that for the

1 record as well. If you could just give us a moment,  
2 Mr. Keliher will put that on the screen just to jog  
3 your memory, see if you may have seen it.

4 R. RIMER: Mr. Keliher -- just for  
5 completeness of the record, Mr. Reed provided me with a  
6 copy of the signed lease which I -- I converted to PDF  
7 format, but somehow it's corrupted. I'm trying to get  
8 our copy over to you. But if I see what you've put up  
9 on the screen, I'm guessing it will be the same thing.  
10 If it's signed by Bernie Reed for RBee and for 125 at  
11 the end, then likely we have the -- the same document.

12 J. MACKINNON: Okay. So we've got it on the  
13 screen now. Can you see it?

14 R. RIMER: Yes.

15 A Yes. I can see it, yes.

16 J. MACKINNON: Okay. Mr. Keliher's just  
17 scrolling to the signature pages. And --

18 R. RIMER: Without reviewing it, it  
19 appears to be what Mr. Reed provided to me, yeah, quite  
20 some time ago.

21 J. MACKINNON: Okay. Thank you.

22 Just for the record, we'll mark this one as  
23 Exhibit 2.

24 EXHIBIT 2 - Lease agreement between  
25 1258311 Alberta Ltd. and RBee Aggregate  
26 Consulting Ltd.

27 Q J. MACKINNON: So, as you can see here, it

1 shows that 125 Alberta is the landlord, and RBee is the  
2 tenant; is that correct?

3 A Yes, I can see that.

4 Q Perfect. And are you aware of what the rent payable on  
5 this property was?

6 A Yes.

7 Q Can you elaborate, please.

8 A Well, \$84,000 went into the bank every month, so that's  
9 what I assume is the rent.

10 Q Okay. Perfect. And we can confirm, based on  
11 paragraph 1.1 of the lease, just for the record. A  
12 little down. Perfect.

13 So we see here on the screen it says "basic rent  
14 per annum" and then "per month". It shows \$80,000 per  
15 month. Can you see that?

16 A Yes, I can see that.

17 Q Perfect. Thank you.

18 J. MACKINNON: I think that may be all we  
19 need to mark for the record. You don't need to share.  
20 Thank you.

21 Q J. MACKINNON: So based on the lease  
22 agreement, it appears that rent was typically paid on  
23 the first day of each month during the term of the  
24 lease. Do you recall seeing payments in your account?

25 A Yeah. I -- I remember seeing them, yeah.

26 Q Okay. And did RBee generally make payments at the  
27 start of the month?

- 1     A     I don't know.
- 2     Q     Okay. And are you aware of RBee being delinquent in  
3           any payments during the course of the lease?
- 4     A     No.
- 5     Q     So, to the best of your knowledge, 125 Alberta never  
6           had to make any demand for payment from RBee?
- 7     A     As far as I know.
- 8     Q     Okay. So if we could just turn back to the payment  
9           schedule. Mr. Keliher will share that for us all. Are  
10          you able to see the document?
- 11    A     Yes, I am.
- 12    Q     Perfect. So looking at the -- the column that says  
13          "125 Alberta", there are 11 payments listed in that  
14          schedule. Are you able to see that?
- 15    A     I am.
- 16    Q     Perfect. And are you aware whether 125 actually  
17          received these payments?
- 18    A     I am not.
- 19    Q     Okay. And the dates range here from June 2nd, 2021,  
20          through to February 22nd of 2022; is that correct?
- 21    A     Yes, that's what I see.
- 22    Q     Okay. So during that time, there are less than nine  
23          months during this period. You would agree?
- 24    A     Okay. Yeah.
- 25    Q     And based on what you can see in front of you for the  
26          months of June of 2021, August of 2021, and February  
27          of 2022, it looks like there are two payments made in

1           each of those months?

2     A     Yes, it appears that there is.

3     Q     Are you able to explain why there were two payments  
4           made in June of 2021?

5     A     I am not.

6     Q     What about August of 2021?

7     A     I can't explain that either.

8     Q     And February of 2022?

9     A     No. Don't know.

10    Q     Okay. Are you aware of any other payments made during  
11          this period to 125 Alberta?

12    A     I am not.

13    Q     Okay. So as the landlord 125 Alberta once already was  
14          placed into the bankruptcy and receivership  
15          proceedings. I understand that this lease was  
16          eventually disclaimed; is that correct?

17    A     I wouldn't know.

18    Q     Okay. Are you aware whether 125 eventually released  
19          the property to another party?

20    A     No, I'm not.

21    Q     Okay. And if we look at the payment schedule here  
22          on the --

23          R. RIMER:                    I'm just -- I'm just trying to  
24          understand, see, whether 125 released the property to  
25          another party, I don't understand the relevance of  
26          that. I think you were talking about -- 125 regaining  
27          possession from RBee, I think, is the question. I'm

- 1           just trying to follow where -- where you're going.
- 2           J. MACKINNON:                   The answer is "I don't know",
- 3           so I'm not sure that it -- it matters at this point,
- 4           counsel.
- 5           R. RIMER:                       Okay.
- 6   Q    J. MACKINNON:                   If we look at the right-hand
- 7           column that is labelled "Fisher".
- 8   A    Yes.
- 9   Q    You're able to see those?
- 10  A    I am.
- 11  Q    And do you recognize those payments made?
- 12  A    Yes.
- 13  Q    Can you explain what they relate to?
- 14  A    They are rental payments on a -- a property in Wembley,
- 15           Alberta.
- 16  Q    Okay. And is that property colloquially known as
- 17           "Wembley Yard"?
- 18  A    Yes, it is.
- 19  Q    Okay. So if we could just turn -- we have an invoice
- 20           for this that appears to be related to Wembley Yard.
- 21           We'll just share that with you. Are you able to see
- 22           the screen?
- 23  A    I am.
- 24  Q    Okay. And this appears to be an invoice dated
- 25           April 1st, 2022; is that correct?
- 26  A    Where's the date on it? Yes. This?
- 27  Q    Top-left side. Yeah.

1     A     Yeah, I see it.

2     Q     Thank you.

3             And it says: (as read)

4             Rental for Wembley Yard and shop, April of

5             2022.

6     A     Yes.

7     Q     And the amount is \$7,000; right?

8     A     Yes.

9     Q     Do you recognize this invoice? Have you seen it

10            before?

11    A     I have not.

12    Q     Okay. And this invoice on the left-hand side just

13            below where it says "Invoice 158", it has your name on

14            it; is that correct?

15    A     It does, yes.

16    Q     Okay. And that was issued presumably on your behalf?

17    A     Yes, I guess it was. My bookkeeper probably did that.

18    Q     Okay. And does your bookkeeper often issue invoices

19            without your knowledge?

20    A     Oh, yes, absolutely.

21    Q     Okay. And can you explain what is the Wembley Yard?

22    A     It's a -- it's a shop with a laydown yard.

23    Q     Okay.

24    A     In Wembley -- or just outside of Wembley. It's country

25            property.

26    Q     Okay. And you were renting -- renting this property to

27            RBee?

1 A Yes, we were.

2 Q Okay. And was there any form of contract with RBee  
3 supporting this rental?

4 A Not that I know of, no.

5 J. MACKINNON: Okay. And, counsel, I believe  
6 we discussed this briefly before we were on the record,  
7 but if there is a copy of that, if we could get an  
8 undertaking to receive a copy.

9 R. RIMER: Yes.

10 Ms. Fisher, you can say, Yes, there will be an  
11 undertaking, to use your best efforts and let me know  
12 if there is a written lease agreement for that property  
13 if you are the aggregate and, if so, provide a copy.

14 A Okay. Yes.

15 J. MACKINNON: Thank you.

16 UNDERTAKING 1 - To provide any form of  
17 contract with RBee Aggregate Consulting Ltd.  
18 supporting the Wembley Yard (Best Efforts)

19 Q J. MACKINNON: So on the top-left side just  
20 below the date, it says "Invoice 158". Do you see  
21 that?

22 A Yes, I can.

23 Q How many invoices were issued to RBee?

24 A Oh, I have no idea.

25 Q If you could provide an undertaking to review the  
26 records to provide any copies of invoices during the  
27 period one year preceding the bankruptcy?

1 R. RIMER: Yes, we can give that  
2 undertaking. Ms. Fisher should use her best efforts to  
3 check for and, if located, provide copies of any  
4 invoices issued by her or by Mr. Reed in relation to  
5 that property for the one year directly preceding the  
6 bankruptcy date of RBee Aggregate.

7 A Okay. Yes, I will.

8 J. MACKINNON: Thank you.

9 UNDERTAKING 2 - To review records and, if  
10 located, to provide copies of any invoices  
11 issued by Ms. Fisher or by Mr. Reed in  
12 relation to the Wembley Yard property for the  
13 one year directly preceding the bankruptcy  
14 date of RBee Aggregate Consulting Ltd.

15 (Best Efforts)

16 Q J. MACKINNON: Ms. Fisher, based on our  
17 discussions today, it appears that you were not overly  
18 involved in the dealings with RBee. Would you agree  
19 with that assessment?

20 A Yes, I would agree with that.

21 Q And as it relates to 125 Alberta, it appears, based on  
22 your responses, that your common-law partner, Mr. Reed,  
23 took care of dealings with RBee. Would you agree with  
24 that assessment?

25 A I would agree with that, yes.

26 Q And with 125 Alberta, you agreed earlier that you are a  
27 director of the company?

1 A Yes.

2 Q And you understand that, as a director, you have  
3 certain fiduciary obligations to the company?

4 A Yes.

5 R. RIMER: (INDISCERNIBLE) answer that  
6 question. Ms. Fisher, I don't know if you know what  
7 your legal rights and obligations are. If you don't  
8 know, say "I don't know".

9 A Okay. Well, I don't know. Yeah.

10 Q J. MACKINNON: Okay. So as it relates to  
11 that company, then, it appears that you let Mr. Reed  
12 handle everything?

13 A I did.

14 Q Right.

15 J. MACKINNON: I believe we're nearing the  
16 end of our questioning. If we could just conference  
17 for maybe five minutes and come back to see if we have  
18 any final questions.

19 R. RIMER: Ms. Fisher and I will hit mute  
20 and stop the video and wait for a voice to appear in  
21 the near future.

22 J. MACKINNON: Okay. Thank you.

23 (ADJOURNMENT)

24 Q J. MACKINNON: And, for the record,  
25 Ms. Fisher, you can hear me okay now?

26 A I can.

27 Q Okay. Thank you.

1           So if we could just return to the schedule of  
2           payments briefly. Mr. Keliher will share the screen  
3           again.

4           And first we'll take a look at the payments on  
5           125 Alberta. So earlier I mentioned there were the  
6           three payments that were made in overlapping months.  
7           If we could just scroll down a touch. Thank you.

8           Payments made to 125 Alberta, did those hit your  
9           account, or was there a specific account for  
10          125 Alberta?

11   A    125 has its own bank account.

12   Q    Perfect. And do you ever review the bank records of  
13          that account?

14   A    At the end of the year with the accountant I do, yes.

15   Q    Okay. And did you ever notice that, the certain  
16          months, there were two payments made?

17   A    I did not, no.

18   Q    Okay. And you said in this company you primarily rely  
19          on your accountant; is that correct?

20   A    Yes.

21   Q    And who was this accountant?

22   A    Jeff Johnson at BDO Dunwoody.

23   Q    Thank you.

24               And did you say there's also a bookkeeper for  
25          125 Alberta as well?

26   A    Yes.

27   Q    And who's that?

1 A Annette Krisa.

2 Q And between these two individuals, they handled all of  
3 the finances of 125 Alberta?

4 A That's correct.

5 Q And they did all of this on your behalf without your  
6 oversight?

7 A Yes, they did.

8 Q So for a company that you were the director and  
9 50 percent shareholder for, did you not feel the need  
10 to oversee the professionals acting on your behalf?

11 A I did not.

12 Q Why not?

13 A I trust them impeccably.

14 Q Okay. And did these accountants act on your personal  
15 behalf as well?

16 A Yes, they do.

17 Q Perfect. So if we look at the payments on the very  
18 right-hand column labelled "Fisher".

19 A Yes.

20 Q They would have received those payments as well?

21 A They would have seen them.

22 Q They would have seen them.

23 And those payments would have gone into your  
24 personal account?

25 A They would have, yes.

26 Q And did you ever notice that in June of 2021, there  
27 were two payments made?

1     A     I did not notice, no.

2     Q     Do you typically not review your bank records?

3     A     I typically do not.

4     Q     Okay. So just to confirm my understanding, these two  
5            individuals handled both your personal and your  
6            business finances in entirety?

7     A     My bookkeeper doesn't handle my personal stuff, no.  
8            Just the accountant.

9     Q     Just the accountant. Okay.

10           And do they handle all of your finances on your  
11           behalf without your review or oversight?

12    A     Yes, they do.

13    Q     And that's for both 125 Alberta and your personal  
14           capacity?

15    A     Yes.

16    Q     Okay. Thank you, Ms. Fisher. I think those are all of  
17           the questions that we have for you today.

18    A     Okay.

19           (WHICH WAS ALL THE EVIDENCE TAKEN AT 10:43 AM)

20           \_\_\_\_\_

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1 CERTIFICATE OF TRANSCRIPT:

2

3 I, Derek Lopez, certify that the foregoing pages  
4 are a complete and accurate transcript of the  
5 Proceedings taken down by me in shorthand and  
6 transcribed from my shorthand notes to the best of my  
7 skill and ability.

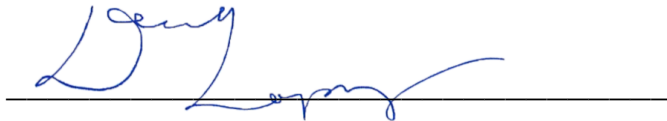
8 Dated at the City of Edmonton, Province of  
9 Alberta, this 1st day of April 2024.

10

11

12

13



14 Derek Lopez, CSR(A), RPR

15 Official Court Reporter

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(Undertakings are inserted and indexed as a courtesy service to be utilized at the discretion of counsel. They are interpretations by the court reporter and it is requested counsel refer to the appropriate page to ensure accuracy)

UNDERTAKING 1 - To provide any form of contract with RBee Aggregate Consulting Ltd. supporting the Wembley Yard (Best Efforts)

*Dicta Court Reporting Inc.*  
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Exhibit: 2  
Date: March 18, 2024  
Witness: Janet Eleanor Fisher  
Court Reporter: Derek Lopez, CSR(A)

*Oct 31.*  
*From Newco.*

## LEASE

**BETWEEN:**

**LANDLORD:** 1258311 ALBERTA LTD.

**AND:**

**TENANT:** RBEE AGGREGATE CONSULTING LTD.

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**LEASE**

**THIS LEASE** dated effective November \_\_\_\_, 2017.

**BETWEEN:**

**1258311 ALBERTA LTD.**  
(the "Landlord")

OF THE FIRST PART

— and —

**RBEE AGGREGATE CONSULTING LTD.**  
(the "Tenant")

OF THE SECOND PART

**RECITALS:**

- A. The Landlord is the registered owner of certain lands and premises legally described in Schedule A and located at 22311 Township Road 570, Sturgeon County, Alberta TOA 2W0 (the "Lands").
- B. There is a building (the "Building") of shop and office space located on the Lands.
- C. The Landlord, as landlord, and the Tenant, as tenant, wish to enter into this Lease of approximately twenty acres of the Lands and the Building.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the sum of One (\$1.00) Dollar paid by the Landlord to the Tenant, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the mutual covenants herein contained and the agreement of the parties, the parties hereto agree as follows:

**ARTICLE 1**  
**BASIC TERMS, SCHEDULES AND DEFINITIONS**

**1.1 Basic Terms**

The basic terms of this Lease are:

- |                           |                                                                                                           |
|---------------------------|-----------------------------------------------------------------------------------------------------------|
| (a) Landlord:<br>Address: | 1258311 Alberta Ltd.<br>c/o Bernet Holdings<br>46 Cranberry Bend<br>Fort Saskatchewan, Alberta<br>T8L 0H2 |
| Telephone:                | (780) 933-4118 (Janet Fisher) or<br>(780) 814.1799 (Bernie Reed)                                          |
| Fax:                      | (780) 942-2857                                                                                            |

- (b) Building Address: 22311 Township Road 570  
Sturgeon County, Alberta  
TOA 2W0
- (c) Tenant: RBee Aggregate Consulting Ltd.  
Address: 22311 Township Road 570  
Sturgeon County, Alberta  
TOA 2W0
- Attention: President  
Telephone: •  
Fax: •
- With a copy to: Crown Capital Fund IV, LP  
c/o Crown Capital Partners Inc.  
77 King Street West, Suite 4430  
Toronto, ON M5K 1H6
- (d) [Intentionally Deleted.]
- (e) (i) Term: 5 years  
(with option to renew for further 5 years, as set out in Schedule "D")
- (ii) Commencement Date: November \_\_\_\_, 2017
- (iii) Expiry Date: November \_\_\_\_, 2022, subject to renewal
- (f) Basic Rent: Per Annum Per Month
- |           |              |             |
|-----------|--------------|-------------|
| Years 1-5 | \$960,000.00 | \$80,000.00 |
|-----------|--------------|-------------|

The foregoing basic terms are hereby approved by the parties and each reference in this Lease to any of the basic terms will be construed to include the provisions set forth above as well as all of the additional terms and conditions of the applicable sections of this Lease where such basic terms are more fully set forth.

## 1.2 Definitions

In this Lease:

**"Accounting Standard"** means International Financial Reporting Standards (IFRS) or such other accounting principles then in effect and generally accepted in Canada by the Canadian public real estate industry and Canadian real estate companies, consistently applied.

**"Additional Rent"** means any and all sums of money or charges required to be paid by the Tenant under this Lease (except Basic Rent and GST) whether or not designated "Additional Rent" and whether or not payable to the Landlord.

**"Affiliate"** has the meaning given in the *Business Corporations Act* (Alberta).

**"Applicable Laws"** means all present and future laws, statutes, codes, bylaws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, approvals,

authorizations, directions and requirements of all governmental or other public authorities that now or at any time hereafter may be applicable to this Lease or the Property or any part thereof.

**"Architect"** means the architect or engineer from time to time designated by the Landlord who is arm's length from the Landlord and who is a member of the professional association of architects or engineers of the Jurisdiction.

**"Basic Rent"** means the annual rent payable by the Tenant pursuant to section 3.2.

**"Building"** means the building located at 22311 Township Road 570 Sturgeon County, Alberta, and situated on the Lands.

**"Building Systems"** means (i) systems, services, equipment, installations or facilities from time to time installed in or servicing the Building and intended for the use or benefit of the Building including, but not limited to, the elevators and escalators, if any, and the following systems and installations: mechanical (including plumbing, drainage and sewage), electrical and other utility-bearing, interior climate control (including heating, ventilating and air-conditioning), lighting, sprinkler and other life-safety (including fire prevention, communications, security and surveillance), computer (including environmental, security and lighting control), ice and snow melting, refuse removal, glass washing, music; and (ii) any and all machinery, appliances, equipment, apparatus, components and appurtenances forming part of or used for or in connection with or incidental to any of these systems including all boilers, motors, generators, fans, pumps, pipes, conduits, ducts, valves, wiring, meters and controls and the structures or shafts housing or enclosing any of them, and computer software.

**"Business Day"** means any day that is not a Saturday, a Sunday or a statutory holiday in the Jurisdiction.

**"Business Hours"** means the hours of 8 a.m. to 5 p.m. of the time of the Jurisdiction on a Business Day.

**"Business Taxes"** has the meaning given in section 4.3(a).

**"Capital Costs"** means any costs which are not fully chargeable or expendable in the Lease Year in which they are incurred or which are in respect of improvements which have a useful life of more than one year or would otherwise be for the capital account, all as determined in accordance with the Accounting Standard.

**"Capital Tax"** means any tax or taxes paid or payable by the Landlord to any provincial or federal taxing authority based upon or computed by reference to the capital employed by the Landlord or the paid-up capital or place of business of the Landlord whether existing at the date hereof or hereafter imposed by any provincial or other taxing authority, Large Corporation Tax and any similar tax in addition, substitution or amendment thereof.

**"Commencement Date"** means the date set forth in section 1.1(e)(ii).

**"Encumbrance"** means any encumbrance or charge registered in the Land Title Office against the Lands.

**"Environmental Law"** means any law, by law, order, ordinance, ruling, regulation, certificate, approval, policy, guideline, consent or directive of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction, as well as any common law obligations or requirements, relating to environmental or health and safety matters and/or regulating the generation, import, storage, distribution, labelling,

sale, use, handling, transport or disposal of any Hazardous Substance which may be in force from time to time applicable to this Lease or the Property or any part thereof given the permitted use of the Lands and the nature of the business conducted thereon as permitted by Applicable Laws.

**"Event of Default"** has the meaning given in section 11.2.

**"Expert"** means any architect, engineer, land surveyor, space planner or other professional consultant (other than the Architect) who is arm's length from the Landlord and the Tenant and qualified, in the opinion of the Landlord and the Tenant, to perform the particular function.

**"Expiry Date"** means the date set out or determined in section 1.1 (f)(iii) and is the last day of the Term.

**"GST"** means the tax payable under the *Excise Tax Act* (Canada) in respect of the supply of goods and services or any other sales or value added tax applicable to the payment of Rent.

**"Hazardous Substance"** means:

- (a) any material or substance declared or deemed to be hazardous, deleterious, caustic, dangerous, a dangerous good, toxic, a contaminant, a waste, a source of a contaminant, a pollutant or toxic under any Environmental Law;
- (b) any solid, liquid, gas or odour or combination of any of them that, if emitted into the air, would create or contribute to the creation of a condition of the air that:
  - (i) endangers the health, safety or welfare of persons or the health of animal life;
  - (ii) interferes with normal enjoyment of life or property; or
  - (iii) causes damage to plant life or to property; and
- (c) any substance which is hazardous to the environment, including persons or property and includes, without limiting the generality of the foregoing, the following:
  - (i) radioactive materials;
  - (ii) explosives;
  - (iii) any substance that, if added to any water, would degrade or alter or form part of a process of degradation or alteration of the quality of that water to the extent that it is detrimental to its use by man or by any animal, fish or plant.

**"Jurisdiction"** means the province where the Property is located.

**"Landlord"** means 1258311 Alberta Ltd. and includes the successors and assigns of the Landlord.

**"Landlord's Work"** means the work described in Schedule "E".

**"Lands"** means the lands described in Schedule "A".

**"Large Corporation Tax"** means the tax for which the Landlord is liable under Part 1.3 of the *Income Tax Act* (Canada) or any similar tax in substitution thereof.

**"Lease"** means this Lease and the schedules attached to this Lease all as amended, restated, modified and supplemented from time to time.

**"Lease Year"** means for the 1<sup>st</sup> Lease Year during the Term, the annual period commencing on the Commencement Date and ending on the day prior to the 1<sup>st</sup> anniversary of the Commencement Date and for each successive Lease Year during the Term, the annual period commencing on the next following anniversary of the Commencement Date and ending on the day prior to the next following anniversary of the Commencement Date.

**"Leasehold Improvements"** means any improvements made to, erected in or installed on the Premises by the Tenant or by the Landlord or others on behalf of the Tenant including but not limited to, alterations, partitions, additions, installations, decorations, fixtures (other than trade fixtures), a storage shed erected on the Lands, and any related equipment, appurtenances and components including, but not limited to, electrical, lighting, telecommunication and plumbing fixtures and installations and all their ancillary components such as conduits, pipes and wiring.

**"Measurement Standard"** means the American National Standard Method for Measuring using the Exterior Wall Methodology for Industrial Buildings (ANSI/BOMA Z65.2.2009).

**"Mortgagee"** means any third party, arm's length mortgage lender of the Landlord to whom the Landlord has granted a lien, charge or encumbrance against the Lands or any part thereof or this Lease and includes a trustee for bond holders.

**"Operating Costs"** means, in any fiscal period designated by the Landlord, the total of all expenses, costs, fees, rentals, disbursements and outlays of every kind paid, payable or incurred by or on behalf of the Landlord in the maintenance, repair, replacement, operation, administration, supervision and management of the Property. Without limiting the generality of the foregoing:

- (a) subject to certain exclusions and deductions provided in sections (b) and (c) of this definition, Operating Costs include:
  - (i) costs of providing security, supervision, traffic control, janitorial, landscaping, window cleaning, waste collection, disposal and recycling and snow removal services and the costs of machinery, supplies, tools, equipment and materials used in connection with the Property (including rental costs of such items);
  - (ii) costs of providing electricity, fuel, heat, processed air, water, telephone, gas, sewage disposal and other utilities and services (including all energy management and administration costs) and costs of replacing building standard electric light fixtures, ballasts, tubes, starters, lamps, light bulbs and controls;
  - (iii) costs of operating, maintaining, replacing, modifying and repairing the Property including the Building Systems and including routine maintenance and repair (such as painting and periodic resealing) of the Structural Elements, the cost of exterior painting, gardening, landscaping (including any lawn sprinkler system), line repainting, rental of signs (including pylon sign, if any) and equipment, lighting, sanitary control and garbage removal, the removal of snow and dirt, curbing and fencing maintenance, paving or resurfacing of the Property, drainage systems and exterior lighting maintenance to the extent such costs are not Capital Costs;
  - (iv) to the extent the costs described in subsection (a)(iii) of this definition are Capital Costs, such costs shall be amortized over the useful life thereof with only that

portion of the amortized period corresponding to the portion of the Term spanning such period being chargeable hereunder to the Tenant;

- (v) interest on the unamortized balance of the costs described in subsection (a)(iv) of this definition, calculated annually, at an annual rate equal to 10%;
  - (vi) amounts paid to, or reasonably attributable to the remuneration of all personnel involved in the on-site maintenance, repair, replacement, operation, administration, supervision and management of the Property, including fringe benefits, severance pay, termination payments and other employment costs, to the extent incurred by the Landlord;
  - (vii) auditing, accounting, legal and other professional and consulting fees and disbursements incurred in connection with the maintenance, repair, replacement, operation, administration, supervision and management of the Property, to the extent such fees and disbursements are reasonable, including those incurred with respect to the preparation of this Lease and the statements required under the provisions of this Lease and costs of administering, minimizing, contesting or appealing assessments of Real Estate Taxes (whether or not successful);
  - (viii) the cost of all insurance which the Landlord is required to maintain under this Lease and the amounts of losses incurred or claims paid either below the insurance deductible amounts or as the co-insurance portion of an insured claim;
  - (ix) Real Estate Taxes to the extent not paid by the Tenant directly to the taxing authority, together with any costs and expenses incurred by the Landlord in contesting or appealing Real Estate Taxes;
  - (x) the costs of effecting any improvements to the Property after the Commencement Date to comply with changes required by Applicable Laws where the requirements of Applicable Laws (including Environmental Law) have changed after the Commencement Date;
- (b) except to the extent otherwise provided above in section (a) of this definition, Operating Costs exclude:
- (i) Real Estate Taxes to the extent paid by the Tenant directly to the taxing authority;
  - (ii) the costs of effecting any improvements to the Lands to comply with Applicable Laws (including Environmental Law) as same exist as of the day prior to the Commencement Date;
  - (iii) interest on, and the capital retirement of debt and ground rent payable to the landlord under any ground or other lease pursuant to which the Landlord has an interest in the Lands;
  - (iv) the cost of replacement of the Structural Elements and the replacement of the roof membrane;
  - (v) all leasing expenses, real estate brokers' fees, leasing commissions, advertising and space planners' fees;
  - (vi) Capital Tax and the Landlord's income taxes;

- (vii) net recoveries by the Landlord in respect of warranties or guarantees and insurance claims to the extent (but only to the extent) that the repair costs in respect of the work covered by such warranties or guarantees or insurance claims have been charged as Operating Costs;
  - (viii) the costs attributable to the operation, administration, management, repair and maintenance of another building or other buildings owned or operated by Landlord or its manager;
  - (ix) off-site staff or head office costs which the Landlord may wish to allocate to the Lands;
  - (x) utilities, cleaning costs and any other Operating Costs paid separately from Operating Costs by or on behalf of the Tenant;
  - (xi) depreciation or amortization of any Operating Costs except as set out in section (a)(iv) of this definition of Operating Costs;
  - (xii) management or administration fees of any kind whether to the Landlord or to third party property managers;
  - (xiii) all fines, suits, claims, demands, actions, costs, charges and expenses of any kind or nature for which the Landlord is or may become liable by reason of any neglect or wilful act or omission on the part of the Landlord or those for whom the Landlord is responsible in law responsible or by reason of any breach, violation or nonperformance by the Landlord of any of the covenants, terms or provisions contained in this Lease; and
  - (xiv) any Operating Costs, realty taxes or other costs attributable to the Lands not comprising the Property and not otherwise forming part of the Tenant's Proportionate Share of Real Estate Taxes;
- (c) there will be credited as a deduction from Operating Costs:
- (i) an amount equal to the net proceeds of insurance actually recovered by the Landlord for damage to the Property to the extent that the cost to repair such damage is included in Operating Costs;
  - (ii) an amount equal to recoveries by the Landlord In respect of warranties or guarantees relating to the construction of the Property or any part of it to the extent that the repair costs in respect of the work covered by warranty or guarantee is included in Operating Costs; and
- (d) in calculating Operating Costs there shall be no duplication of Operating Costs and such calculation shall be done in accordance with the Accounting Standard and done and allocated on a reasonable commercial basis.

**"Operating Cost Statement"** has the meaning given in section 3.4(b).

**"Permitted Encumbrances"** means the non-financial encumbrances registered against title to the Lands as of the date this Lease and any other encumbrances approved by the Tenant.

**"Permitted Transferee"** means any entity which is: (i) an Affiliate and only for so long as it remains an Affiliate of such original named Tenant; (ii) a successor corporation related to Tenant

by merger, consolidation, reorganization or government action; (Hi) a partnership or joint venture in which the originally named Tenant or Its parent corporation or Affiliate of either of them has a substantial interest; or (iv) a purchaser of all or substantially all of the assets or shares of the Tenant (or any Permitted Transferee who at the time of such sale is the tenant by assignment or sublease) who is a bona fide arm's length third party and not an Affiliate of the Tenant (or any Permitted Transferee who at the time of such sale is the tenant by assignment or sublease).

**"Person"** means any person, firm, partnership or corporation, or any group or combination of persons, firms, partnerships or corporations.

**"Premises"** means the Property as shown for illustrative purposes in the attached Schedule "B".

**"Prime Rate"** means the rate of interest charged by Canadian Western Bank from time to time for commercial loans in Canadian funds to its most credit-worthy commercial customers.

**"Property"** means the portion of the Lands leased to the Tenant, and includes the Building and other improvements located on such portion of the Lands from time to time and the fixtures installed thereon or therein.

**"Real Estate Taxes"** means the aggregate of all taxes, rates, duties, levies, fees, charges (including local improvement charges) and assessments whatsoever, imposed, assessed, levied, rated or charged against or in respect of the Property (or any part of the Property) from time to time by any lawful taxing or assessing authority, whether school, municipal, regional, provincial, federal, or otherwise, and any taxes or other amounts which are imposed in lieu of, or in addition to, any of the foregoing whether or not in existence on the Commencement Date and whether of the foregoing character or not, but excluding taxes on the income or profits of the Landlord except to the extent that they are levied in lieu of the foregoing.

**"Rent"** means Basic Rent and Additional Rent.

**"Required Conditions"** means that:

- (a) the Tenant is the originally named Tenant or a Permitted Transferee and is itself in actual occupation of and actually carrying on business from the whole of the Premises; and
- (b) the Tenant has paid all Rent and there is not then an Event of Default that remains uncured beyond the applicable cure period.

**"Structural Elements"** means those parts of the building consisting of the footings and foundations, structural columns and beams, structural sub floors, bearing walls, curtainwalls and the component parts of each of the foregoing.

**"Tenant"** means RBee Aggregate Consulting Ltd., and includes successors, affiliates and permitted assigns of the Tenant.

**"Tenant's Proportionate Share"** is deemed to be 75%.

**"Tenant's Work"** means the work and improvements located on the Lands by the Tenant defined in Schedule "E".

**"Term"** means the term of this Lease as specified in section 1.1(f), unless terminated sooner and includes all renewals and extensions of the Term.

**"Transfer"** means all or any of the following, whether by conveyance, written agreement or otherwise: (i) an assignment of this Lease in whole or in part; (ii) a sublease of all or any part of the Premises; (iii) the sharing or transfer of any right of use or occupancy of all or any part of the Premises; and (iv) any mortgage, charge or encumbrance (collectively, the **"Charge"**) of this Lease or the Premises or any part of the Premises or other arrangement under which either this Lease or the Premises becomes security for any indebtedness or other obligation except for a Charge described in section 10.6 and excludes a change of control of the Tenant or any Permitted Transferee.

**"Transferee"** means the Person to whom a Transfer is or is to be made.

### **1.3 General Rules of Interpretation**

Except as otherwise expressly provided or unless the context otherwise requires, the following provisions shall govern the interpretation of this Lease;

- (a) the terms "this Lease", "hereof", "herein", "hereunder" and similar expressions refer, unless otherwise specified, to this Lease taken as a whole and not to any particular section, paragraph or clause;
- (b) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;
- (c) all references to articles and schedules refer, unless otherwise specified, to articles of and schedules to this Lease;
- (d) all references to sections refer, unless otherwise specified, to sections, paragraphs or clauses of this Lease and reference to paragraphs or clauses refer to paragraphs in the same section as the reference or clauses in the same paragraph as the reference;
- (e) words and terms denoting inclusiveness (such as "include" or "includes" or "Including"), whether or not so stated, are not limited by and do not imply limitation of, their context or the words or phrases which precede or succeed them;
- (f) the captions, section numbers, article numbers and the table of contents appearing in this Lease are inserted only as a matter of convenience and do not affect the interpretation or substance of this Lease;
- (g) unless otherwise stated, all dollar amounts stated in this Lease are in Canadian dollar amounts and exclusive of GST;
- (h) unless otherwise specified in this Lease, all accounting to be done under this Lease shall be done in accordance with the Accounting Standard; and
- (i) all references to federal and provincial statutes, regulations, codes and guidelines includes amendments to such statutes, regulations, codes and guidelines and successor and replacement legislation thereto unless otherwise stated to the contrary.

### **1.4 Net Lease**

Except as expressly set out herein, (a) it is intended that this Lease is completely carefree net lease for the Landlord; (b) the Landlord is not responsible for any costs, charges, expenses or outlays of any kind arising from or relating to the Property, or to the use or occupancy of the Premises; and (c) the Tenant will pay all costs, charges, expenses and impositions of every kind arising from or relating to the

Premises and to its use, occupancy and contents and as provided in this Lease, all costs, charges, expenses and impositions of every kind arising from or relating to the Property.

## **1.5 Schedules**

The schedules attached to this Lease are incorporated into and form an integral part of this Lease and are as follows:

Schedule "A"	- Legal Description of the Property
Schedule "B"	- Diagram of Premises
Schedule "C"	- Rules and Regulations
Schedule "D"	- Additional Provisions
Schedule "E"	- Landlord's and Tenant's Work

## **ARTICLE 2 DEMISE, TERM AND PROPERTY**

### **2.1 Lease of Premises and Term**

In consideration of the rents reserved and the conditions and agreements contained in this Lease on the part of the Tenant to be paid, observed and performed the Landlord demises and leases to the Tenant the Premises for the Term unless extended or renewed in accordance with Schedule "D" or terminated earlier pursuant to this Lease. The Premises are shown by a heavy black line for illustrative purposes on the diagram attached as Schedule "B". The Tenant hereby leases and accepts the Premises from the Landlord subject to the Encumbrances and covenants to pay the Rent and to observe and perform all the covenants and obligations to be observed and performed by the Tenant pursuant to this Lease.

### **2.2 Quiet Enjoyment**

If the Tenant pays the Rent, fully performs all its obligations under this Lease and there has been no Event of Default, then the Tenant shall be entitled, subject to the provisions of this Lease, to peaceful and quiet enjoyment of the Premises for the Term.

### **2.3 Landlord's Work**

The Landlord's Work is described in Schedule "E". If no items of Landlord's Work are specifically required to be performed in accordance with Schedule "E", the Tenant hereby acknowledges that it accepts the Premises and the Building in an "as-is" condition as of the date possession of the Premises is granted to the Tenant by the Landlord. If Schedule "E" specifically requires that certain items of work be performed by the Landlord, the Landlord's Work shall consist only of the items of work described under the heading "Landlord's Work" in Schedule "E". All other Leasehold Improvements which do not comprise the Landlord's Work that are to be made to the Premises shall be the Tenant's Work and shall be done at the Tenant's cost in accordance with the terms of this Lease.

### **2.4 Tenant's Work**

The Tenant's Work is described in Schedule "E". The Tenant shall complete all Tenant's Work in a good and workmanlike manner to the Landlord's satisfaction and in accordance with the plans, drawings and specifications approved by the Landlord and in accordance with the terms of this Lease.

### ARTICLE 3 RENT AND OPERATING COSTS

#### 3.1 Covenant to Pay

The Tenant will pay to the Landlord at its address set out in section 1.1(a), or to such other place as designated in writing by the Landlord from time to time, the Basic Rent and Additional Rent promptly when due payable in lawful money of Canada without any deduction, abatement, set-off, or compensation.

#### 3.2 Basic Rent

From and after the Commencement Date, the Tenant will pay to the Landlord, without any prior demand therefor, as Basic Rent and throughout the Term, payable in equal monthly instalments in advance on the 1st day of each month during the Term, the amount set out in section 1.1(f).

Basic Rent accrues from day to day. If Basic Rent begins to accrue on any day other than the first day of a calendar month, the Tenant will pay in advance on that day a portion of the Basic Rent prorated on a daily basis from that day to the end of the month based upon a period of 365 days.

#### 3.3 Additional Rent Treated as Rent

The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

#### 3.4 Payment of Operating Costs

Except as may otherwise be provided in this Lease, the Tenant will pay to the Landlord throughout the Term the Operating Costs.

- (a) Before the beginning of the Term and for each financial period selected by the Landlord thereafter, the Landlord will estimate and allocate and may, during a financial period, re-estimate or re-allocate Operating Costs for the ensuing financial period on a reasonable basis and will notify the Tenant of the amount of the Operating Costs which the Tenant will pay to the Landlord without any prior demand therefor, as Additional Rent, in equal monthly instalments in advance on the first day of each month during the financial period. Within 90 days from the date when all information necessary to calculate actual Operating Costs becomes available after the end of each financial period, the Landlord will provide the Tenant with a statement of actual Operating Costs (the "**Operating Cost Statement**") in reasonable detail. Any readjustment required will be made without interest in the following manner. If the Tenant has overpaid, the Landlord will provide a refund of the overpayment to the Tenant when it delivers the statement to the Tenant. If the Tenant has underpaid, the Tenant will pay the difference to the Landlord, as Additional Rent, within 30 days after receipt of the Operating Cost Statement. If Operating Costs have not been finally determined before the end of the Term, the readjustment obligation will survive the end of the Term. The Landlord may, from time to time, alter the financial period selected; in which case, appropriate adjustments will be made.
- (b) Each party shall have 6 months from the delivery of the Operating Cost Statement in 3.4(b), within which it may make a written claim for a readjustment of the Operating Costs based upon an error of estimation, determination or calculation of the Operating Costs. In the case of any dispute over the determination or calculation of the Operating Costs, a report from an accountant (the "**Accountant**") in connection with such claim will be conclusive and binding on the parties. The Accountant shall be selected in accordance

with section 17.1(a). The Landlord shall make all information and accounting records pertaining to Operating Costs in question available to the Accountant.

- (c) Where the Tenant pays all Operating Costs directly to the third party suppliers of such services or utilities, the Landlord shall have no obligation to deliver the Operating Cost Statement to the Tenant and the Landlord shall have no right to charge Operating Costs to the Tenant so long as the Tenant continues to pay Operating Costs directly to such third party suppliers.

### **3.5 Interest on Amounts in Default**

If the Tenant fails to pay when due any amount of Rent, the unpaid amount will bear interest, payable monthly and compounded semi-annually, from the due date to the date of payment at an annual rate of interest that is 3% above the Prime Rate in effect at the time of the default.

### **3.6 Direct Payment by Tenant**

For those Operating Costs which the Tenant is required under this Lease to pay directly to the applicable provider, the Tenant shall provide evidence of such payments within 15 days of request by the Landlord unless a different period is provided for under this Lease.

### **3.7 Rent For Irregular Periods**

All payments set out herein, including, without limiting the generality of the foregoing, the Additional Rent, shall be deemed to accrue from day to day, and if for any reason it shall become necessary to calculate rent for irregular periods of less than one year an appropriate pro-rata adjustment shall be made on a daily basis in order to compute payment for such irregular period.

### **3.8 Payment of GST**

The Tenant shall pay to the Landlord all GST applicable from time to time, calculated and payable in accordance with Applicable Laws and the Tenant shall pay such amount at the earlier of: (i) the time provided for by Applicable Laws; and (ii) the time such Rent is required to be paid under this Lease. The amount payable by the Tenant on account of GST shall be deemed not to be Rent for the purpose of such calculation but in the event of a failure by the Tenant to pay any amount, the Landlord shall have the same rights and remedies as it has in the event of a failure by the Tenant to pay Rent.

### **3.9 Post-Dated Cheques and Automatic Withdrawals**

At the Landlord's request, the Tenant shall make all payments under this Lease by way of post-dated cheques, automatic withdrawals or electronic funds transfer from the Tenant's bank account and shall execute and deliver either concurrently with this Lease or from time to time within three Business Days following request for it, such documents as may be required by the Landlord and its bank in order to effect such payments.

## **ARTICLE 4 REAL ESTATE TAXES AND BUSINESS TAXES**

### **4.1 Taxes Payable by the Landlord**

The Landlord shall pay before delinquency (subject to the Tenant's payment of the Tenant's Proportionate Share of Real Estate Taxes) all Real Estate Taxes, property tax, assessment, license fee and other charges (except for the Tenant's taxes under sections 4.3), which is imposed, levied, assessed

or charged by any governmental or quasi-governmental authority having jurisdiction and which is payable in respect of the Lands.

#### **4.2 Tenant's Share of Real Estate Taxes.**

- (a) The Tenant shall pay in equal monthly instalments the Tenant's Proportionate Share of Real Estate Taxes as determined under section 4.2(b).
- (b) Prior to the Commencement Date and prior to the beginning of each Lease Year thereafter or as soon as possible thereafter, the Landlord will estimate, on a reasonable basis, and will notify the Tenant of the amount payable by the Tenant in the Lease Year in respect of Taxes under this section 4.2. The Landlord will deliver to the Tenant a statement showing in reasonable detail the information relevant and necessary to the estimation or calculation of such total amount. The Tenant will pay to the Landlord, as Additional Rent, on the first day of each month in each Lease Year, one-twelfth (1/12th) of the Landlord's estimate of such amount payable by the Tenant under this section 4.2. From time to time during the Lease Year the Landlord, acting reasonably, may re-estimate such amount for that Lease Year and may notify the Tenant of such re-estimated amount and may adjust monthly instalments for the remainder of the Lease Year so that, after crediting the Tenant for instalments paid based on the previous estimate or estimates, such re-estimated amount will be paid in full during the Lease Year. Despite the foregoing, when all information necessary to calculate such amount or such re-estimated amount, as the case may be, becomes available, including the relevant final tax bills, the Landlord will provide the Tenant with a statement showing the calculation of such amount or such re-estimated amount, as the case may be, certified by a responsible officer of the Landlord and, on the first day of the month next following the delivery of the statement by the Landlord, the Tenant will pay to the Landlord the balance of such amount or such re-estimated amount, as the case may be, after receiving credit for instalments paid based on the previous estimate or estimates. If the Tenant has paid more than such amount or such re-estimated amount, as the case may be, the Landlord will refund the overpayment to the Tenant without interest within thirty (30) days after of the delivery of such statement by the Landlord to the Tenant. If the total amount for any Lease Year has not been finally determined before the end of the Term, the parties will make any necessary readjustment in the payment of such amount or such re-estimated amount, as the case may be, immediately after it has been determined, and this obligation will survive the end of the Term. Neither party may claim a readjustment in respect of the amount paid or payable by the Tenant on account of Taxes based upon an error of estimation, determination, calculation or allocation unless claimed in writing before eighteen months (18) after the receipt of the Landlord's statement described above. In the case of any dispute over the estimation, determination, calculation or allocation of the Tenant's share of Taxes, a report from the Accountant in connection with such claim will be conclusive and binding on the parties. For a Lease Year containing fewer than three hundred and sixty five (365) days any portion of Taxes payable by the Tenant that relates to a full twelve (12) month period will be subject to a per diem pro rata reduction based on a period of three hundred and sixty five (365) days.

#### **4.3 Business Taxes of the Tenant**

- (a) The Tenant will pay to the applicable taxing authority unless otherwise directed by the Landlord, when they become due and payable, all taxes, rates, duties, levies, assessments, licence fees and other charges that are levied, rated, charged or assessed by any lawful taxing authority against the Landlord as owner of the Building or against the Tenant, in each case or in respect of (a) all Leasehold Improvements and the Tenant's trade fixtures and chattels; and (b) any business carried on in or the use or occupancy of the Premises by the Tenant, all the foregoing being collectively referred to as "Business

Taxes". The Tenant shall provide evidence of payment of the Business Taxes within 5 Business Days of when the Business Taxes are due.

- (b) The Tenant will promptly deliver to the Landlord notices of Business Taxes or other assessments that relate to the Premises that are received by the Tenant and furnish such other information in connection with Business Taxes payable by the Tenant as the Landlord reasonably requests.

#### **4.4 Tax Appeals**

Except where the Landlord fails to contest or appeal the Real Estate Taxes 30 days after being directed to do so by the Tenant, the Tenant shall not appeal any assessment or determination of the value of the Building or any portion of the Building whether or not the assessment or determination affects the amount of Real Estate Taxes, rates, duties, levies or assessments to be paid by the Tenant. If the Landlord should fail to contest or appeal the Real Estate Taxes within the 30 day period described above the Tenant shall have the right to appeal such Real Estate Taxes for and on behalf of the Landlord provided that the Tenant has furnished adequate security for the costs of such appeal, and hereby indemnifies the Landlord in respect of any additional liability or obligation arising from such appeal.

### **ARTICLE 5 CONTROL OF THE BUILDING**

#### **5.1 Access to the Premises by the Landlord**

The Landlord may, with a minimum of five (5) Business Days' notice to the Tenant or immediately in the event of an emergency, temporarily obstruct or close off all or part of the Premises to the extent required for the purpose of maintenance, repair or replacement and do and perform such other acts as may be advisable for the proper and more efficient operation of the Property, provided however, that the Landlord uses reasonable efforts to provide temporary access to the Premises and uses reasonable efforts to minimize the disruption of the Tenant's use and enjoyment of the Premises and the conduct of its business is not adversely affected. Subject to the other provisions of this Lease, the Landlord or its agents will operate and maintain the Property in same manner as would a prudent landlord of a comparable Property in the area where the Property is located.

#### **5.2 Signs and Advertising**

The Tenant may install, at its sole cost and expense, reasonable identification signage on the Building and/or the Lands. All of the Tenant's signage and the exact location thereof shall be subject to the approval of the Landlord (such approval not to be unreasonably withheld) and shall comply with the Applicable Laws and municipal requirements governing signs. All such signage shall conform with the architectural style of the Building and shall be installed and maintained at the Tenant's cost. Upon the expiration or earlier termination of the Lease the Tenant shall, at its sole cost, remove all of its signage from the Property and repair any damage caused to the Property by the installation and/or removal of such signage. The Tenant shall be liable for all liability associated with or arising with respect to the Tenant's signage.

#### **5.3 Rules and Regulations**

The Tenant will observe and comply with and will cause employees, and all others having business with the Tenant and over whom the Tenant can reasonably be expected to exercise control, to observe and comply with the rules and regulations attached as Schedule "C". In the event of any conflict between any of the rules and regulations and any other provision of this Lease, the provisions of this Lease shall govern.

## **ARTICLE 6 BUILDING SERVICES AND UTILITIES**

### **6.1 Risk of Use**

The Tenant, its employees, agents, invitees and others having business with the Tenant and all others using the Premises will do so at their own risk.

### **6.2 Heating and Air-conditioning**

- (a) The Tenant shall be responsible for ensuring that the heating or air-conditioning systems servicing the Building are in good working order and in compliance with Applicable Laws.
- (b) If all or any part of the Building heating or air-conditioning systems requires inspection, repair or replacement, the Tenant will carry out work with all reasonable speed, having regard to the season and availability of tradesmen. The Landlord will not be liable for any indirect or consequential damages whatsoever by reason of the operation or non-operation of the heating, ventilating, air-conditioning or other Building Systems.

### **6.3 Utility Services, Light Bulbs**

- (a) The Landlord, subject to interruption beyond its control, will provide and allow the Tenant to use all utility services (including electricity and water) from time to time serving the Building. All expenses relating to such use will form part of Operating Costs unless paid directly to the utility providers by the Tenant.
- (b) If the Tenant requires the provision of utility services in quantities that would exceed usual use for in the Building generally as determined, such supply of excess quantities shall be allowed only where the Building Systems can accommodate provision of such excess quantities. The cost of providing all such additional or non-standard utility services shall be to the Tenant's account. In case of a dispute over the reasonableness of the cost referred to in this section such dispute shall be determined by a third party engineer acceptable to the Landlord and the Tenant and the determination of such engineer shall be final and binding on the Landlord and the Tenant. In case of a dispute between the Landlord and Tenant regarding the selection of a third party engineer, the Landlord and Tenant shall select a third party engineer pursuant to section 17.1(a).

### **6.4 Payment of Utilities and Caretaking**

The Tenant shall be responsible for the payment of all utilities to the applicable service provider when such utilities are due. In doing so the Tenant shall provide the Landlord with evidence of payment of such utilities if the Landlord so requests. The Tenant shall also be responsible for cleaning the Property, including without limitation, snow and ice removal, so that the Premises are clean and tidy in accordance with Applicable Laws and the Intended use of the Premises.

If at any time after reasonable notice from the Landlord to do so, the Tenant should fail to pay the utilities, the Landlord may pay such utilities at the cost of the Tenant and any such payment by the Landlord shall be Additional Rent.

**ARTICLE 7  
USE OF THE PREMISES**

**7.1 Use and Occupancy**

The Tenant will not use or occupy the Premises or permit it to be used or occupied for any purpose other than for the conduct of the Tenant's business in accordance with the terms and conditions of this Lease. The Tenant's business, at the date of this Lease, is comprised of all facets involved with mobile rock and gravel crushing services and ancillary uses as such may exist at the date of this Lease or as such business may change from time to time provided any substantial change in use shall require the Landlord's prior written consent, such consent not to be unreasonably withheld or delayed. The Tenant will begin to conduct its business operations in the Premises, on the Commencement Date and will thereafter do so throughout the Term in the whole of the Premises, subject to the provisions of this Lease.

The Tenant shall not cause, permit or maintain in or about the Premises any act which may reasonably be deemed to be a nuisance, continuing annoyance, hazard, grievance, damage or disturbance to the Landlord, other tenants, the occupiers or owners of the Lands or adjacent lands, or the public at large. The Tenant shall not do or fail to do anything that may contravene any of the Tenant's or Landlord's insurance policies, or that would subject any insurance policy to diminished coverage, cancellation, renewal refusal, or increase the cost of insurance to the Landlord.

**7.2 Compliance with Applicable Laws**

- (a) In performing its obligations under this Lease the Tenant shall observe and comply with the requirements of all government authorities, officials and agencies and the Applicable Laws during the Term, pertaining to or affecting the use and occupation of the Premises.
- (b) In performing its obligations under this Lease the Landlord shall observe and comply with the requirements of all government authorities, officials and agencies and the Applicable Laws during the Term, pertaining to or affecting the use and occupation of the Premises.

**ARTICLE 8  
REPAIRS, ALTERATIONS, LEASEHOLD IMPROVEMENTS,  
SUBSTANTIAL DAMAGE OR DESTRUCTION**

**8.1 Landlord's Approval of Leasehold Improvements and Tenant's Repairs**

- (a) The Tenant will not install, replace, repair or modify any Leasehold Improvements without first obtaining the Landlord's written consent, which will not be unreasonably withheld or unduly delayed. When requesting the Landlord's consent, the Tenant will submit to the Landlord such details of the proposed work as the Landlord may reasonably require, including professionally prepared drawings and specifications, proposed contracts and designs together with information on the contractors to be used to perform the work.
- (b) The Landlord's consent is conditional on the Landlord receiving from the Tenant, before any work is begun, satisfactory evidence that the Tenant has obtained, at its expense, insurance coverage as set out in section 9.1 herein and all necessary government consents, permits and licences. The Tenant shall pay Expert's fees incurred by the Landlord, if an Expert is appointed to review plans and specifications whether or not all or any of the work proceeds.
- (c) All work referred to in section 8.1(a) will be performed in accordance with: (i) the details, drawings and specifications approved by the Landlord; (ii) reasonable conditions and controls required by the Landlord; (iii) the requirements of all government and regulatory

authorities claiming jurisdiction; and (iv) Applicable Laws. All such work shall be performed by competent workmen. Such work is to be completed at the Tenant's risk and expense as expeditiously as possible in a good and workmanlike manner.

- (d) Notwithstanding any other provision of this Lease, if any work that the Tenant proposes to do or have done or any work that the Landlord requires to be done, should or is customarily done by electrical or mechanical contractors, then such work must be done only by the Landlord's electrical or mechanical contractor or the Tenant's electrical or mechanical contractor approved by the Landlord, acting reasonably. Moreover, if any work could affect or interfere with the Structural Elements or any of the Building Systems, in the reasonable opinion of the Landlord, then the Landlord may choose to have its own contractors perform that portion of the work, at the Tenant's cost, if its own contractors will do the work at rates competitive with those charged by other first-class contractors or the Landlord may allow the Tenant's contractors to perform such work upon prior written approval by the Landlord. The Tenant may not do, or have done any work which In the Landlord's reasonable opinion may weaken or endanger the Structural Elements or adversely affect the condition or operation of, or diminish the value of any part of the Building or the Building Systems or affect or interfere with the outside appearance of the Building.
- (e) Performance by or on behalf of the Tenant of any work without the Landlord's consent or without complying with the provisions of this section 8.1 constitutes a default under this Lease and in addition to the Landlord's other remedies, the Landlord may require the Tenant at the Tenant's cost, to promptly remove the work or that part of the work to which the Landlord objects and to restore the Premises to its previous condition.
- (f) Except for trade fixtures and Leasehold Improvements which are removed pursuant to section 12.3, all Leasehold Improvements in or upon the Premises shall become the property of the Landlord without compensation to the Tenant at the end of the Term.

## **8.2 Tenant to Discharge All Liens**

- (a) The Tenant will at all times during the period that the Tenant has possession of the Premises under this Lease prior to the Commencement Date and throughout the Term promptly pay all its contractors, suppliers and workmen and all charges incurred by or on behalf of the Tenant, its subtenants or any other persons occupying the Premises for any work, material or services that may be done, supplied, or performed at any time in respect of the Premises. The Tenant will do everything necessary to ensure that no builders' lien pertaining to such charges is registered against the Premises. If any such builders' lien arises or is preserved or perfected, the Tenant will discharge it or cause it to be discharged immediately at the Tenant's expense except where the Tenant is diligently contesting in good faith the claim under any builder's lien and as long as the Tenant pays the disputed amount into court or posts the necessary security so that the builders' lien can be discharged from title.
- (b) If the Tenant fails to discharge or cause to be discharged any such builders' lien immediately or if the Tenant fails to diligently contest in good faith the claim under any such builder' lien in accordance with section 8.2(a), then in addition to the Landlord's other remedies, the Landlord may, but need not, discharge such lien by paying the amount claimed to be due under such lien into court and the amount so paid by the Landlord and costs incurred by the Landlord as result of the registration or obtaining a discharge of any such builders' lien will be due and payable, as Additional Rent, within 15 days after receipt of an invoice from the Landlord.

### **8.3 Tenant to Notify Landlord of Damage**

The Tenant will promptly notify the Landlord of damage to, or deficiencies or defects in, any part of the Premises or any Building System serving, or located in the Premises regardless of whether It is the Landlord or the Tenant that is obligated to repair the damage, deficiency or defect.

### **8.4 Repair by the Landlord**

- (a) Subject to section 8.6 and except for such degree of wear and tear as shall be reasonable, the Landlord will at all times throughout the Term maintain, repair and replace in a good and substantial state of repair
  - (i) the Structural Elements;
  - (ii) the roof, the roof membrane and the other roof component parts, the other portions of the weather envelope and the curtainwall of the Building;
  - (iii) the Building Systems; the Landlord will have a reasonable time within which to effect any maintenance, repairs or replacements of the Building Systems; and
  - (iv) the parking areas and roadways including periodic resurfacing, repairs, maintenance and replacement to all sewer and utilities located on the Property that are not the responsibility of the utility service providers or the municipality where the Property is located; and all fences located on the Property and such other improvements located on the Lands, in a manner consistent with the actions of a prudent owner of commercial real estate.
- (b) Notwithstanding any other provision contained in this Lease, if the Property or any part of It requires repair, restoration or replacement or becomes impaired, damaged or destroyed through the negligence, carelessness, misuse or deliberate act of the Tenant, its employees, invitees or others for whom the Tenant is legally responsible, the Landlord shall make such repairs, restoration or replacement and the Tenant will be liable for the cost of such repairs, restoration or replacement.
- (c) Notwithstanding any other term of this Lease, the Landlord shall not perform any repair or replacement of any of the items referred to in this section 8.4 where such repair or replacement would be considered to be an expenditure on account of a Capital Cost or any other repair or replacement that might be considered to be on account of a Capital Cost unless the Tenant has been advised in writing by the Landlord as to the amount of such expenditure, the resulting schedule of amortized payments and resulting increase in Operating Costs for each Lease Year if such expenditure is approved by the Tenant and the Tenant has approved such items and the repair or replacement thereof. Notwithstanding the foregoing provisions of this subsection, the Tenant's approval shall not be required where:
  - (i) the Landlord believes, acting reasonably and in good faith, that the completion of the repairs or replacement in question is a matter of immediate safety; or
  - (ii) the completion of the repairs or replacement in question is required by Applicable Laws.
- (d) The Landlord may direct the Tenant to perform the foregoing repairs on behalf of the Landlord. If the Landlord so directs, then the Tenant shall perform or cause such repairs to be performed in accordance with the requirements of this Lease, but as agent for the

Landlord, and all such costs shall be to the account of the Landlord and, at the option of the Tenant, shall be credited against Rent as It comes due under this Lease. If such costs are not off set as such a credit, then such amounts will be due to the Tenant from the Landlord on 30 days' written notice from the Tenant to the Landlord.

#### **8.5 Repair by the Tenant**

- (a) The Tenant will at all times throughout the Term, at its sole expense but subject to sections 8.4 and 8.6 and except for such degree of wear and tear as shall be reasonable, maintain the Premises (other than the portion of the Property for which the Landlord is responsible to repair under this Lease) in a good and substantial state of repair which includes, but is not limited to, periodic repainting and redecorating of the interior of the Premises, cleaning of carpets and other floor coverings and curtains, drapes and other window coverings at reasonable intervals.
- (b) The Tenant will permit the Landlord and its authorized agents to enter the Premises from time to time to examine the condition of the Premises and to view the state of repair upon receipt of at least 24 hours written notice. If the Landlord finds that the state of repair or decoration of the Premises is not in accordance with the Tenant's obligations under this Lease, the Tenant will make all needed repairs and replacements and attend to necessary repainting and redecorating with due diligence and dispatch. In exercising its right of entry under this subsection the Landlord will make reasonable efforts to minimize interference with the Tenant's business operations.

#### **8.6 Substantial Damage or Destruction**

- (a) In this section, "unoccupiable" means unfit for occupancy by the Tenant for the purposes of carrying on its business and "occupiable" means fit for occupancy by the Tenant for the purposes of carrying on its business in each case as determined by the Architect.
- (b) If damage or destruction by any cause renders all or part of the Building unoccupiable, the Landlord, subject to subsections (d) and (e), will repair and restore the Building (other than the Leasehold Improvements) with all reasonable diligence. The Landlord will notify the Tenant upon substantial completion of its work and, subject to section 8.1, the Tenant will then immediately begin and expeditiously complete reconstruction and repair of the Leasehold Improvements and redecoration of the Premises, as required.
- (c) If, in the Architects opinion, all or part of the Premises is unoccupiable, then, Basic Rent and the Operating Costs (the foregoing hereinafter being collectively called "**Abatable Amounts**") will abate from the date of the damage or destruction until the Premises is again occupiable in the proportion to that the part of the Premises that is unoccupiable bears to the usable area of the Building. The amount of the abatement will diminish proportionately as repairs are made and more of the Premises are returned to an occupiable state.
- (d) Notwithstanding subsection (b) where, in the Architect's opinion, damage or destruction by any cause has rendered more than 50% of the usable area of the Building unoccupiable and it will take more than 180 days to return substantially all the Premises to an occupiable state, then the Landlord or the Tenant may terminate this Lease by giving the other party written notice no later than 45 days after the date of the damage or destruction. If neither party has chosen to terminate this Lease within the 45 day period, the provisions of subsection (b) will apply.

- (e) Notwithstanding subsection (b), where, in the Architect's opinion, damage or destruction by any cause has rendered more than 25% of the usable area of the Building unoccupiable, and if the Building or any of the Building Systems is destroyed to such a material extent that in the Architect's opinion, the Building should be totally demolished then whether or not the Landlord intends to reconstruct the Building in whole or in part and whether or not all or part of the Premises is rendered unoccupiable by such occurrence, either party may terminate this Lease by giving the other party written notice no later than 45 days after the date of the damage or destruction. If neither party has chosen to terminate this Lease within such 45 day period, the provisions of subsection (b) will apply.
- (f) If either party exercises its right to terminate this Lease pursuant to subsection (d) or (e), the Term will expire on the date which is 30 days after delivery of the notice terminating this Lease. Upon expiry of the Term, the Tenant will surrender the Premises and all its interest therein to the Landlord and the Abatable Amounts and other payments that should appropriately be apportioned will be apportioned to the date of termination. The Tenant will remain liable to the Landlord for all sums accrued due under this Lease to the expiry of the Term, and the Landlord may re-enter and repossess the Premises discharged of this Lease.
- (g) The Landlord shall not be obligated to rebuild the Building or any part of it in accordance with the original drawings and specifications. No damages, compensation or claim whatsoever will be payable by the Landlord for Inconvenience, loss of business or annoyance or other loss or damage whatsoever arising from the occurrence of and such damage to or destruction of the Premises or of the Building or its repair or restoration.
- (h) A statement from the Architect as to whether all or part of the Premises or the usable area of the Building is occupiable or unoccupiable, as to the extent to which the Premises or the usable area of the Building is occupiable or unoccupiable, or as to the length of time it will take to repair the damage or destruction to the state in which the Tenant can again use substantially all the Premises for its business, will be conclusive and binding on the Landlord and the Tenant.

## **ARTICLE 9 INSURANCE**

### **9.1 Tenant's Insurance Coverage**

The Tenant will take out and keep in force, at its expense, throughout the Term and during such other times as the Tenant occupies of the Building:

- (a) insurance in respect of fire and such other perils as are from time to time defined in the usual "all risks" endorsement including sprinkler leakages, covering all Leasehold Improvements and the Tenant's trade fixtures and chattels and all property located in the Building for which the Tenant is legally responsible for the full replacement cost, on a stated amount basis;
- (b) comprehensive broad form boiler and machinery insurance on a blanket repair and replacement basis in respect of Leasehold Improvements, boilers, pressure vessels, air conditioning equipment and miscellaneous electrical apparatus placed in the Premises by or on behalf of the Tenant, with limits for each occurrence in an amount not less than \$2,000,000.00; and

- (c) comprehensive general liability insurance covering bodily injury, death, property damage, personal liability, contractual liability, non-owned automobile liability, employer's liability and contractor's protective insurance coverage, all on a claims made basis with limits of not less than \$5,000,000.00 per occurrence with respect to: (i) the Premises; (ii) the business carried on in or from the Premises; (iii) use or occupancy of the Premises and of any other part of the Building by the Tenant, its subtenants, concessionaires, licensees and other persons conducting business in or from the Premises and non-occupancy of the Premises; and (iv) all construction, installation, alteration or repair of, in or to the Premises by or on behalf of the Tenant; and tenants' legal liability insurance for the full replacement cost of the Premises. Such policies or coverages must contain a severability of interests clause and a cross-liability clause.

## **9.2 Policy Requirements**

- (a) Insurance policies required to be maintained by the Tenant must: (i) be on reasonable commercial terms and be non-contributing with, and applicable only as primary and not as excess to, any other insurance available to the Landlord or the Mortgagee, if any; (ii) not be invalidated as respects the interests of the Landlord and of the Mortgagee, if any, by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies; (iii) contain an agreement on the part of the insurer to notify the Landlord and the Mortgagee, if any, in writing at least 30 days before any cancellation of the policy; (iv) to the extent available without cost to the Tenant contain a waiver of subrogation by the Tenant's insurers in favour of the Landlord, and any Person for whom it is legally responsible (including, without limitation, its property manager, its asset manager, its agents and employees); and (v) all policies of liability insurance shall include the Landlord as additional insured, and shall provide that the Landlord shall be insured in the same manner and to the same extent as if a separate policy of insurance had been issued thereto.
- (b) Insurance policies required to be maintained by the Tenant pursuant to sections 9.1(a) and 9.1(b) must, if there is a Mortgagee, contain a standard mortgage clause.
- (c) The Tenant will submit to the Landlord a certificate of insurance before the beginning of the Term and thereafter whenever requested by the Landlord, acting reasonably, evidencing compliance with the requirements of this Article 9. The Tenant will submit to the Landlord a certificate of insurance evidencing the renewal of the existing policy or its satisfactory replacement upon receipt of such certificate from its insurer. The Landlord may require the Tenant to submit a certificate of insurance to evidence compliance with the requirements of Article 9 before the Tenant is permitted access to the Premises. No review or approval of any such insurance certificate or policy by the Landlord will derogate from or diminish the Landlord's rights or the Tenant's obligations contained in this Lease.

## **9.3 Tenant's Failure to Insure**

If (i) the Tenant fails to take out or to keep in force or renew any insurance referred to in section 9.1 or fails to submit satisfactory evidence that such insurance is in place within a reasonable period after request therefor by the Landlord; or (ii) the Landlord or a Mortgagee, acting reasonably and in good faith, has notified the Tenant in writing with written reasons that it does not approve of a policy or certificate of insurance and has given the Tenant its reasons for not approving the policy or certificate and the Tenant has not begun diligently to rectify the situation within 72 hours after written notice from the Landlord or Mortgagee (or such shorter period as the Landlord may reasonably require, having regard to the urgency of the situation) or has not thereafter proceeded diligently to complete the rectification of the situation, then, in either case, the Landlord may, but need not, effect the insurance at the Tenant's expense and without prejudice to the Landlord's other rights and remedies.

#### **9.4 Protection of Landlord's Insurance**

- (a) The Tenant will not do or permit to be done on or about the Premises anything which may cause the cancellation of or an increased premium for any insurance required on its part under this Article 9. The Tenant will promptly comply with all requirements of: (i) the Insurers Advisory Organization of Canada or any successor or similar organization; (ii) the Landlord's insurers; and (iii) all insurance policies now or in the future in effect, pertaining to or affecting the Building.
- (b) Without being considered a waiver by the Landlord of the Tenant's obligation in section 9.4(a), if any act or omission of the Tenant or of anyone for whom the Tenant is legally responsible causes or results in any increase of premiums for the insurance from time to time carried by the Landlord in respect of the Building (whether direct damage or liability) the Tenant will be liable to the Landlord for such increase in premiums.
- (c) If any act or omission of the Tenant or of anyone for whom the Tenant is legally responsible in the Building or any part of it, causes or could result in the cancellation of, or the reduction in coverage under, any insurance policy (direct damage or liability) relating to the Building, and if the Tenant fails to remedy that condition within 48 hours after notice thereof the Landlord or its agents may, but need not, enter the Premises and remedy that condition (including removal of any offending article) at the Tenant's cost.

#### **9.5 Landlord's Insurance**

- (a) The Landlord has taken out and shall keep in force throughout the Term:
  - (i) insurance on the Building in respect of fire and such other perils as are from time to time defined in the usual extended coverage endorsement in an amount equal to the full replacement cost of the Building, the Building Systems and other improvements located on the Lands (but which shall include the cost of foundations and permit a reasonable deductible amount to be assumed by the Landlord consistent with prudent practice in the commercial real estate industry);
  - (ii) boiler, pressure vessels and machinery insurance in respect of any boilers, pressure vessels and machinery operated in the Building (other than in the Premises or other areas that are rented) in an amount of at least \$5,000,000.00 for any one accident;
  - (iii) comprehensive general liability insurance in reasonable amounts and in any event not less than \$5,000,000.00 on a per claims made basis, and with an aggregate amount for all annual occurrences of not less than \$10,000,000.00 for claims for personal injury or Premises damage arising out of any one occurrence and such other coverage as the Landlord deems necessary or advisable in respect of the Building in such amounts as prudent landlords of properties comparable to the Building would insure for; and
  - (iv) loss of rental income insurance on a Gross Rental Form basis.
- (b) Insurance policies required to be maintained by the Landlord must: (i) be on reasonable commercial terms and be non-contributing with, and applicable only as primary and not as excess to, any other insurance available to the Tenant, if any; (ii) not be invalidated as respects the interests of the Tenant and its lenders, if any, by reason of any breach or violation of any warranties, representations, declarations or conditions contained in the policies; (iii) contain an agreement on the part of the insurer to notify the Tenant in writing

at least 30 days before any cancellation of the policy; and (iv) contain a waiver of subrogation by the Landlord's Insurers in favour of the Tenant, and any Person for whom it is legally responsible (including, without limitation, its agents and employees).

- (c) Upon the request of the Tenant from time to time the Landlord will furnish certificates of insurance to evidence coverage for the perils in respect of which and the amounts to which it has insured the Building and the other Improvements located on the Lands to the extent required by this Lease.

## **ARTICLE 10 TRANSFERS BY TENANT**

### **10.1 Transfers by the Tenant**

The Tenant shall not enter into, consent to, or permit any Transfer without the prior written consent of the Landlord, which consent shall not be unreasonably withheld but shall be subject to the Landlord's rights under section 10.2. Notwithstanding any statutory provision to the contrary, it shall not be considered unreasonable for the Landlord to withhold its consent if, without limiting any other factors or circumstances which the Landlord may reasonably take into account:

- (a) an Event of Default on the part of the Tenant hereunder has occurred and is continuing;
- (b) in the Landlord's reasonable opinion:
  - (i) the financial background of the proposed Transferee is not satisfactory; or
  - (ii) the nature or character of the proposed business of the proposed Transferee is unethical, immoral or illegal; or
- (c) the proposed Transferee or any principal of the proposed Transferee or any shareholder of the proposed Transferee has a history of defaults under other commercial agreements or does not have a satisfactory history of compliance with Applicable Laws.

Any consent by the Landlord to a Transfer shall not constitute a waiver of the necessity for the Landlord's consent to any subsequent Transfer.

### **10.2 Tenant's Notice of the Transfer**

If the Tenant intends to effect a Transfer the Tenant shall give prior notice to the Landlord of such intent specifying the identity of the Transferee, the type of Transfer contemplated, the part of the Premises affected and the financial and other terms of the Transfer, and shall provide such financial, business or other information relating to the proposed Transferee and its principals as the Landlord or any Mortgagee reasonably requires, together with copies of all documents which record the particulars of the proposed Transfer. The Landlord shall, within 15 days after having received such notice and all requested information and in accordance with the provisions of this Lease:

- (a) notify the Tenant either that it consents to the Transfer; or
- (b) notify the Tenant it does not consent to the Transfer and provide written reasons to the Tenant for not consenting to the Transfer,

failing which the Landlord shall be deemed to have consented to the Transfer.

### **10.3 Conditions of Transfer**

The following terms and conditions apply in respect of a Transfer:

- (a) prior to the Transfer being made and becoming effective, the Tenant and the Transferee shall execute and deliver a consent agreement in a form acceptable to the Landlord and Tenant, both acting reasonably, agreeing to be bound by this Lease;
- (b) notwithstanding any Transfer, the Tenant shall remain liable under this Lease and shall not be released from performing any of the terms of this Lease unless the financial terms of the Lease are amended or the Term is renewed or extended; and
- (c) notwithstanding the effective date of any permitted Transfer as between the Tenant and the Transferee, all Rent for the month in which such effective date occurs shall be paid In advance by the Tenant so that the Landlord will not be required to accept partial payments of Rent for such month from either the Tenant or the Transferee.

### **10.4 Permitted Transfers**

Notwithstanding section 10.1 and provided that the Required Conditions are satisfied, the Tenant shall have the right on prior notice to the Landlord, but without being required to obtain the Landlord's consent, to effect a Transfer in compliance with section 10.3 in favour of a Permitted Transferee. A transfer to a Permitted Transferee shall not be effective until such time as all of the requirements of section 10.3 are complied with.

### **10.5 No Advertising**

The Tenant shall not advertise that the whole or any part of the Premises are available for a Transfer and shall not permit any broker or other Person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

### **10.6 Permitted Charges**

Notwithstanding anything else contained in this Lease to the contrary, the Landlord confirms that the Tenant's current credit facilities and the charges thereunder are permitted charges so far as they relate to this Lease and that any amendment or replacement of such credit facilities and charges arising out of such amendments or replacements shall be permitted charges under this Lease.

## **ARTICLE 11 DEFAULT**

### **11.1 Landlord's Right to Cure**

Whenever there is a default under this Lease by the Tenant, in addition to all the Landlord's other rights and remedies under this Lease, by statute, at common law or in equity, the Landlord may, but need not remedy or attempt to remedy the default and in so doing may make payments due or alleged to be due by the Tenant to third parties and may, enter the Premises to perform work or do other things. The Landlord is not responsible to the Tenant for loss or damage resulting from such entry or action by the Landlord unless caused by the negligence of the Landlord and nothing the Landlord does under this section is a re-entry or a breach of the Landlord's covenant for quiet enjoyment.

## 11.2 Right to Re-enter

- (a) If and whenever any of the following events (an "**Event of Default**") occur:
- (i) any Rent is in arrears and is not paid within 5 days after notice from the Landlord;
  - (ii) the Tenant has breached any of its obligations in this Lease (other than the payment of Rent) and such breach is capable of being remedied and is not otherwise listed in this section and the Tenant after written notice from the Landlord;
    - (A) fails to remedy such breach within 15 days (or such shorter period as may be provided in this Lease); or
    - (B) if such breach cannot be reasonably remedied within such 15 day period or such shorter period, the Tenant fails to commence to remedy such breach within such 15 day period or such shorter period or thereafter fails to proceed diligently to remedy such breach;
  - (iii) the Tenant is bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors; or
  - (iv) a receiver, interim receiver, trustee, liquidator or a receiver and manager is appointed for all or part of the Tenant's property or business or of an occupants property or business; or
  - (v) steps are taken or an action or proceedings are instituted by any Person or party for the dissolution or winding-up of the Tenant or for the liquidation of its assets; or
  - (vi) the Tenant breaches Article 10 regarding Transfers; or
  - (vii) this Lease, the Term or any of the Tenant's assets are seized, attached or taken in execution; or
  - (viii) re-entry is permitted elsewhere pursuant to this Lease; or
  - (ix) the Tenant allows any of its insurance to lapse and fails to rectify the situation within 72 hours after written notice from the Landlord or Mortgagee, as set out in section 9.3 hereof, and the Landlord or Mortgagee does not itself elect to effect such insurance,

then, in every such case, in addition to and without prejudice to all other rights, the Landlord may immediately re-enter the Premises or any part of them in the name of the whole and have again, repossess and enjoy them as of its former estate. In such event the Landlord may remove all personnel and property from the Premises and store any removed property in a public warehouse or elsewhere (including upon other premises owned by the Landlord, or elsewhere in the Building or on the Lands) at the cost of and for the account of the Tenant, or sell or otherwise dispose of any property on the Premises as the Landlord considers advisable at a public or private sale, all without service of notice or resort to legal process and without the Landlord being considered guilty of trespass or becoming liable for any loss or occasioned thereby. For certainty, this right of re-entry applies to all the Tenant's covenants in this Lease, whether positive or negative.

- (b) Immediately upon the occurrence of any of the events referred to in subparagraphs (iii) to (v) inclusive of subsection (a) and in addition to and without prejudice to all of the Landlord's other rights, the full amount of the current month's instalment of Rent together with the next 3 month's instalments of Rent all of which will be considered to be accruing due on a day-to-day basis, will become due and payable as accelerated rent and will be recoverable by the Landlord in the same manner as the rents hereby reserved and as if Rent were in arrears,

### **11.3 Right to Relet**

If the Landlord chooses to re-enter the Premises, or if it takes possession pursuant to legal proceedings or pursuant to any notice provided for by law it may either terminate this Lease or it may from time to time, without terminating this Lease, make such alterations and repairs as it considers necessary to relet the Premises or any part of them, as the Tenant's agent, for such term or terms (which may be for a term extending beyond the Term) and at such rent and upon such other terms and conditions as the Landlord in its sole discretion considers advisable. Upon each such reletting all rent received by the Landlord from the reletting will be applied, first to the payment of any indebtedness from the Tenant to the Landlord other than Basic Rent or Additional Rent due under this Lease; second, to the payment of any costs and expenses of the reletting including, but not limited to, brokerage fees and legal fees and of costs of alterations and repairs and of costs of tenant inducements; third, to the payment of Basic Rent and Additional Rent due and unpaid under this Lease; and the residue, if any, will be held by the Landlord and applied in payment of future Rent as it becomes due and payable. If rent received from the reletting during any month is less than that to be paid under this Lease during that month by the Tenant, the Tenant will pay the deficiency, which will be calculated and paid monthly in advance on or before the first day of each and every month. No such re-entry or taking of possession of the Premises by the Landlord will be construed as a choice on its part to terminate this Lease unless a written notice of such intention is given to the Tenant either at the time of re-entry or at any time thereafter. Notwithstanding any such reletting without termination the Landlord may at any time thereafter choose to terminate this Lease for the previous breach.

### **11.4 Right to Damages**

If the Landlord at any time terminates this Lease for any breach, in addition to all its other remedies, it may recover from the Tenant all damages it incurs by reason of the breach, including the cost of recovering, altering and reletting the Premises, reasonable legal fees (on a solicitor and his own client basis) and including the value at the time of the termination of the excess, if any, of the amount of Basic Rent and Additional Rent required to be paid pursuant to this Lease for the remainder of the Term over the then reasonable rental value of the Premises for the remainder of the Term, all of which amounts will be immediately due and payable by the Tenant to the Landlord.

### **11.5 Expenses**

- (a) If legal action is brought for recovery of possession of the Premises or for the recovery of Basic Rent or Additional Rent, or because of the breach of any term, or covenant or non-compliance with any condition contained in this Lease to be performed or complied with on the part of the Tenant, and a breach or non-compliance is established, the Tenant will pay to the Landlord all expenses incurred in connection with the action, including solicitor's fees (on a solicitor and his own client basis) to the extent the Tenant is determined to be liable by a court or an arbitrator.
- (b) If legal action is brought because of the breach of any term, or covenant or non-compliance with any condition contained in this Lease to be performed or complied with on the part of the Landlord, and a breach or non-compliance is established, the Landlord will pay to the Tenant all expenses incurred in connection with the action, including

solicitor's fees (on a solicitor and his own client basis) to the extent the Landlord is determined to be liable by a court or arbitrator.

#### **11.6 Waiver of Exemption for Distress**

The Tenant waives and renounces the benefit of any present or future applicable legislation which takes away or limits the Landlord's right of distress, and agrees that the Landlord shall have the right to distrain for Rent against all goods, chattels and effects on the Premises or at any other place to which they have been removed. This section may be pleaded as an estoppel to bar the Tenant from denying the waiver contained herein.

#### **11.7 Default of Payment Collectible as Additional Rent**

If the Tenant is in default in the payment of any amount or charge pursuant to this Lease, they will be collectable as Additional Rent, Immediately on demand and without limiting any other remedy of the Landlord. The Landlord may apply sums received from or due to the Tenant as the Landlord sees fit.

#### **11.8 Remedies are Cumulative**

Mention in this Lease of a particular remedy of the Landlord or the Tenant in respect of a default by the other does not preclude or prejudice such party from exercising any other available remedy in respect of that default. No remedy is exclusive or dependent upon any other remedy, but the party entitled to do so may from time to time exercise one or more of such remedies generally or in combination, such remedies being cumulative and not alternative.

#### **11.9 Act of Subtenants**

An act or omission on the part of a subtenant of the Tenant that if done, or omitted to be done, by the Tenant would constitute a breach of a covenant or condition in this Lease or would impose obligations on the Tenant or entitle the Landlord to exercise remedies is considered for all purposes to be the act or omission of the Tenant and entitles the Landlord to enforce its remedies under this Lease or at law against the Tenant.

#### **11.10 Tenant's Right to Cure**

Whenever there is a default under this Lease by the Landlord, in addition to all the Tenant's other rights and remedies under this Lease, by statute, at common law or in equity, the Tenant may, but need not remedy or attempt to remedy the default and in so doing may make payments due or alleged to be due by the Landlord to third parties. Where any amount is owed to the Tenant by the Landlord under this Lease, the Tenant may off set such amount against any amount owing by the Tenant to the Landlord under this Lease or any other agreement between the Tenant and the Landlord or between the Tenant's Affiliates and the Landlord. The Tenant is not responsible to the Landlord for loss or damage resulting from such action by the Tenant unless caused by the negligence of the Tenant.

### **ARTICLE 12 SURRENDER AND OVERHOLDING**

#### **12.1 Overholding**

If the Tenant remains in possession after the end of the Term with the express consent of the Landlord but without written agreement there is no tacit renewal or extension of the Term notwithstanding any statutory provisions or legal presumption to the contrary and a tenancy from year to year will not be implied by law. The tenancy will be considered as a monthly tenancy only at a monthly Basic Rent payable in advance on the first day of each month equal to 150% of the amount of the last monthly

instalment of annual Basic Rent immediately theretofore payable and subject to termination by either the Landlord or the Tenant on one month's notice to the other and otherwise upon the same agreements and conditions of this Lease (including payment of Additional Rent) except as to the length of the tenancy and except for any renewal or extension options.

## **12.2 Surrender of the Premises**

At the expiration or earlier termination of this Lease and without notice, the Tenant shall at its expense:

- (a) surrender all keys and security devices for the Premises to the Landlord at the place then fixed for the payment of Basic Rent and inform the Landlord of all combinations of all locks, safes and vaults of any kind and the code for any security devices, in or for the Premises;
- (b) remove all the Tenant's trade fixtures and such Leasehold Improvements as required under section 12.3;
- (c) peaceably surrender and yield up vacant possession of the Premises to Landlord, after the removal of all the Tenant's trade fixtures and such Leasehold Improvements as required under section 12.3, in a clean, broom swept and tidy condition and, subject to reasonable wear and tear, in as good condition and state of repair as the Tenant is required to maintain the Property throughout the Term; and
- (d) remove any material which may be deemed by any applicable legislation, or by any governmental authority, or by the Landlord, as a Hazardous Substance which has been brought onto the Property by the Tenant or which is a result of the Tenant's use or occupation of the Premises, and the Tenant shall immediately repair, at the Tenant's expense, all damages to the Property caused by such removal.

If the Premises are not surrendered at the time and in the manner set out in this section, the Tenant shall promptly indemnify and hold harmless the Landlord from and against any and all claims resulting from the delay by the Tenant in so surrendering the Premises, including any claims made by any succeeding tenant or occupant founded on such delay. The Tenant's obligation to observe and perform the provisions of this section shall survive the expiration or earlier termination of this Lease.

## **12.3 Removal of Leasehold Improvements and Chattels**

- (a) The Tenant may, upon the expiry or earlier termination of the Term, remove at its own expense, some or all of the Leasehold Improvements. Except for damage to the Premises caused by such removal, the Tenant shall not be obliged to restore the Premises to the same condition as existed prior to the installation of such Leasehold Improvements.
- (b) The Tenant may during the Term in the normal course of its business remove its trade fixtures, or its goods or chattels but only if (i) the goods, chattels, or trade fixtures have become surplus for the Tenant's purposes or the Tenant is replacing them with new or first class goods, chattels or trade fixtures of equal or greater value; and (ii) the Tenant is not in default under this Lease; and (iii) the removal is done at the Tenant's sole cost and expense and without damage to the Premises or to other parts of the Building; and (iv) in the case of trade fixtures that are attached or affixed to the Premises, the Tenant has first notified the Landlord in writing of its intention to remove the trade fixtures. The Tenant will, at the end of the Term, at its own expense, remove all its trade fixtures. If the Tenant does not remove its trade fixtures at the end of the Term, the trade fixtures will, at the

Landlord's option, become the Landlord's property absolutely and the Landlord may remove them from the Premises and sell or dispose of them in such a manner as it considers advisable. To the extent that any costs of removal or restoration are not recovered from the net proceeds of sale of such trade fixtures, the Landlord may recover the balance from the Tenant.

- (c) The Tenant will make every removal of Leasehold Improvements and trade fixtures, goods or chattels required or permitted under this Lease, whether during or at the end of the Term, at times designated by the Landlord and will promptly make good any damage caused to the Premises or any other part of the Building by the installation or removal of Leasehold Improvements or trade fixtures, goods or chattels required or permitted to be removed.
- (d) For certainty, the Tenant's trade fixtures do not include any Building Systems, any floor coverings permanently affixed to the floor of the Premises, light fixtures (other than the snap-in fixtures that form part of a track-type lighting system) or any fixtures, facilities, equipment or installations installed by the Landlord or at its expense.
- (e) The Tenant's obligations under this section will survive the end of the Term, and except as permitted under this Lease, the Tenant shall not otherwise remove the Leasehold Improvements either during or at the end of the Term.

### **ARTICLE 13**

#### **TRANSFER BY LANDLORD, PRIORITY OF LEASE AND REGISTRATION**

##### **13.1 Transfers by Landlord**

Subject to section 13.2, the Landlord shall have the right to sell, transfer, lease, license, charge, mortgage or otherwise dispose of or encumber all or any part of its interest in the Premises or any interest of the Landlord in this Lease subject to the interest of the Tenant under this Lease and any other agreement referenced herein. In the event of any transfer of title to the Lands or any interest therein the Landlord shall thereupon, and without further agreement, but subject to the next sentence of this section 13.1, be released of all liability under this Lease arising and attributable to the period from and after such disposition to the extent that such liability is assumed by the transferee. For greater certainty, this provision shall not be construed to nor shall it have the effect of releasing the Landlord from any of its obligations arising or attributable to the period of time prior to date of such transfer of title to the Lands or any interest therein.

##### **13.2 Recording and Priority of Lease**

- (a) The Tenant shall not register this Lease in whole or in part but may register a caveat or other instrument giving notice thereof. Such caveat or notice instrument shall disclose only: (i) the date of the Lease; (ii) the parties; (iii) the Property; (iv) the Term; and (v) any rights of renewal or extension under this Lease. The Tenant shall deliver a copy of, the proposed caveat to the Landlord for review at least 7 Business Days prior to registration of the caveat against the Lands. Such caveat shall specifically not disclose the rents nor any other financial details or arrangements between the parties contained in this Lease. The Tenant may register notice of any interest in land created under this Lease including, without limitation, an option to purchase or a right of first refusal to purchase and the Landlord shall cooperate fully to facilitate such registration.
- (b) At any time and from time to time at the request of the Landlord, the Tenant shall subordinate this Lease and its rights under this Lease to any and all mortgages and other charges of the Mortgage Lender (as defined in paragraph (c) below) and to all advances

made or to be made thereunder and shall attorn to the Mortgage Lender and shall execute and deliver all such instruments as may be necessarily required by the Mortgage Lender to evidence the priority of the mortgages and charges of the Mortgage Lender and advances made or to be made thereunder. The form of such subordination (and such other instruments) shall be as required by the Landlord or any Mortgage Lender, as approved by the solicitors for the Tenant, acting reasonably. The Tenant shall promptly on request attorn to any Mortgage Lender or the purchaser on any foreclosure or sale proceedings taken under any mortgage described under this section and shall recognize such Mortgage Lender or purchaser as the landlord under this Lease. Any such subordination and attornment shall be conditional on the Landlord obtaining a non-disturbance agreement (the "Non-Disturbance Agreement") in favour of the Tenant from the Mortgage Lender acceptable to the Tenant acting reasonably.

- (c) If any financial instruments or documents (the holder of such instruments or documents being referred to herein as a "Mortgage Lender") are registered against the Lands in priority to this Lease or any caveat or notice in respect thereof, the Landlord shall:
- (i) with respect to an Existing Mortgage, make reasonable efforts to obtain from the Mortgage Lender a Non-Disturbance Agreement; and
  - (ii) with respect to a New Mortgage, obtain from the Mortgage Lender a non-disturbance agreement in a form substantially similar to the Non-Disturbance Agreement and acceptable to the Tenant acting reasonably;

and deliver same to the Tenant upon or before execution of this Lease, whereby such Mortgage Lender acknowledges that:

- (i) in the event of the Mortgage Lender realizing upon the security, it will not disturb the Tenant and will permit the Tenant to remain in possession of the Premises under the provisions of this Lease and in accordance with the terms thereof, so long as the Tenant is not in default;
- (ii) if and for so long as the Mortgage Lender remains in possession of the Property or is the registered owner thereof it shall observe and perform all the terms, conditions and obligations of the Landlord except any obligations existing prior to the Mortgage Lender taking possession or becoming the registered owner with the intention that the relationship of landlord and tenant shall exist between the Tenant and the Mortgage Lender on the terms and conditions as set out in this Lease but only during the time the Mortgage Lender remains in possession of the Property or is the registered owner thereof; and
- (iii) the Mortgage Lender shall cause any purchaser or assignee of its interest in this Lease to agree in writing with the Tenant to be bound by and observe all the terms, conditions and obligations of the Landlord under this Lease.

### **13.3 Certificates**

Each party shall, on 15 days' notice, promptly whenever reasonably requested by another, execute and deliver to the other or as they may direct, a certificate signed by a responsible officer or employee of the party delivering the statement as to the status of this Lease, including confirmation to the best of the knowledge, information and belief of such officer or employee:

- (a) as to whether this Lease is in full force and effect, and if not, reasonable details thereof,

- (b) as to whether this Lease is modified or unmodified, and if modified, reasonable details thereof;
- (c) as to the state of the accounts between the parties hereunder; and
- (d) as to the existence or non-existence of defaults under this Lease, and if in default, reasonable details thereof.

The Tenant shall promptly reimburse the Landlord for any third party costs or expenses incurred by the Landlord, in connection with each request made by the Tenant to the Landlord for a certificate pursuant to this subsection. The Landlord shall promptly reimburse the Tenant for any third party costs or expenses incurred by the Tenant, in connection with each request made by the Landlord or the Mortgagee to the Tenant for a certificate pursuant to this subsection

## **ARTICLE 14 LIMITATION OF LIABILITIES**

### **14.1 The Landlord's Limitation of Liability**

The Landlord is not liable for the death or illness of, or bodily injury to, the Tenant, its employees, agents, invitees, licensees or any other person on the Property, unless caused by the Landlord's negligence or wilful default. Notwithstanding the foregoing, this section shall not be construed to limit the Landlord's liability for any Landlord's Default and the Tenant's remedies arising therefrom.

### **14.2 The Tenant's Limitation of Liability**

The Tenant is not liable for the death or illness of, or bodily injury to, the Landlord, its employees, agents, independent contractors or invitees on the Property, unless caused by the Tenant's negligence or wilful default. Notwithstanding the foregoing, this section shall not be construed to limit the Tenant's liability for any Event of Default and the Landlord's remedies arising therefrom.

### **14.3 Risk of Loss**

All property of the Tenant or of any other person kept or stored on the Premises will be kept or stored at the Tenant's risk and the Tenant will indemnify and save the Landlord harmless from and against all claims arising out of loss of or damage to any of the Tenant's property or to the property of any other person, including subrogation claims by the Tenant's insurers.

### **14.4 The Tenant's Indemnity**

- (a) Subject to the limitation of liability in the Tenant's favour in section 14.2, the Tenant will be liable for and defend and indemnify the Landlord and save it harmless against, in respect of and from:
  - (i) all claims for personal injury or death, property loss or damage or any other loss or damage of every kind caused by the Tenant or those for whom it is legally responsible (collectively the 'Landlord's Claims') arising out of, or resulting from,
  - (ii) any occurrence, situation or act of omission or commission in, upon or at the Property;
  - (iii) any occurrence, situation or act of omission or commission in, upon or at the Property to the extent that the claim relates to the injury or death of, or loss of or

damage to property of or in the care of, the Tenant, its employees, invitees or licensees or any other person attending at the Property;

- (iv) the use or occupation of the Premises by the Tenant or any subtenant, agent, employee, invitee or licensee of the Tenant or by any other person for whom the Tenant is legally responsible; or
- (v) the conduct of any work by, or any act or omission of, the Tenant or any subtenant, agent, employee, invitee or licensee of the Tenant or of any other person for whom the Tenant is legally responsible; and

the Tenant shall not be liable under this indemnity to the extent that the Landlord's Claims are due to the negligence of the Landlord or those for whom the Landlord is legally responsible;

- (b) all costs, expenses, charges, penalties, losses, liabilities and damages, suits and actions of every kind incurred or suffered by the Landlord in connection with or arising out of the Landlord's Claims and the expenses of all actions and proceedings pertaining thereto including, but not limited to, reasonable legal fees on a solicitor and his own client basis;
- (c) all costs, expenses, charges, penalties, losses, liabilities and damages incurred or suffered by the Landlord arising from any breach or non-performance by the Tenant of any of its covenants or obligations under this Lease or non-compliance by the Tenant with any of the conditions of this Lease; and
- (d) all costs and expenses, including but not limited to, reasonable legal fees (on a solicitor and his own client basis) that may be incurred or paid by the Landlord in enforcing against the Tenant performance of its covenants and agreements contained in this Lease and compliance with the conditions contained in this Lease but only to the extent that the Tenant is determined to be liable by a court or by an arbitrator.

The Tenant's obligations under this section shall survive the end of the Term. Notwithstanding the foregoing, the Tenant's liability shall be limited to the extent of the amount of the general liability insurance the Tenant is required to maintain under this Lease.

#### **14.5 The Landlord's Indemnity**

Subject to the limitation of liability in the Landlord's favour in section 14.1, the Landlord will be liable for and defend and indemnify the Tenant and save it harmless against, in respect of and from:

- (a) all claims for personal injury or death, property loss or damage or any other loss or damage of every kind caused by the Landlord or those for whom it is legally responsible (collectively the "Tenant's Claims") arising out of, or resulting from,
  - (i) any occurrence, situation or act of omission or commission in, upon or at the Property or the balance of the Lands that affects the Property;
  - (ii) any occurrence, situation or act of omission or commission in, upon or at the Property to the extent that the claim relates to the loss of or damage to property of or in the care of, the Tenant, its employees, invitees or licensees; or
  - (iii) the conduct of any work by the Landlord or those for whom the Landlord is legally responsible; and

the Landlord shall not be liable under this indemnity to the extent that the Tenant's Claims are attributable to the negligence of the Tenant or those for whom the Tenant is legally responsible;

- (b) all costs, expenses, charges, penalties, losses, liabilities and damages, suits and actions of every kind incurred or suffered by the Tenant in connection with or arising out of the Tenant's Claims and the expenses of all actions and proceedings pertaining thereto including, but not limited to, reasonable legal fees on a solicitor and his own client basis;
- (c) all costs, expenses, charges, penalties, losses, liabilities and damages incurred or suffered by the Tenant arising from any breach or non-performance by the Landlord of any of its covenants or obligations under this Lease or non-compliance by the Landlord with any of the conditions of this Lease; and
- (d) all costs and expenses, including but not limited to, reasonable legal fees (on a solicitor and his own client basis) that may be incurred or paid by the Tenant in enforcing against the Landlord performance of its covenants and agreements contained in this Lease and compliance with the conditions contained in this Lease but only to the extent that the Landlord is determined to be liable by a court or by an arbitrator,

The Landlord's obligations under this section shall survive the end of the Term.

#### **14.6 No Claim for Inconvenience**

Notwithstanding anything in this Lease to the contrary, the Landlord will not be liable, and the Tenant may not make any claim against the Landlord, for any interruption in the supply of electricity or other utility or power, light, water, heat or air-conditioning, or in the operation of drains or lavatories, or for any other interruption of the rights or privileges hereby granted which may arise out of any occurrence, accident or casualty or out of anything beyond the sole and absolute control of the Landlord, or out of the making of alterations or repairs to any Building Systems or to any part(s) of the Building.

### **ARTICLE 15 HAZARDOUS SUBSTANCES**

#### **15.1 The Tenant's Environmental Covenants**

From and after the Commencement Date, the Tenant covenants and agrees that it will:

- (a) not bring or allow any Hazardous Substance to be brought onto the Premises except in compliance with Environmental Law;
- (b) comply at all times and require all those for whom the Tenant is in law responsible to comply at all times with Environmental Law as it affects the Premises;
- (c) give notice to the Landlord of the presence at any time during the Term of any Hazardous Substance on the Premises together with such information concerning such Hazardous Substance and its presence on the Premises as the Landlord may require;
- (d) give notice to the Landlord of any occurrence which might give rise to a duty under Environmental Law by either the Tenant or the Landlord with respect to the presence of any Hazardous Substance on the Premises including, without limitation, notice of any discharge, release, leak, spill or escape into the environment of any Hazardous Substance at, to or from the Premises; and

- (e) comply with any investigative, remedial or precautionary measures required under Environmental Law be liable to the Landlord for any and all investigation, clean up, remediation, restoration or monitoring costs or any costs incurred to comply with Environmental Law other than those attributable to the Landlord.

The Tenant's liability under this section is limited to such Hazardous Substances and breaches of Environmental Law arising after and attributable to the Tenant's use and occupancy of the Premises during the period from and after the Commencement Date and the Tenant shall have no liability under these provisions for any Hazardous Substances or breach of Environmental Law arising or attributable to the period prior to the Commencement Date or for the actions of the Landlord or third parties not within the control of the Tenant.

## **15.2 The Landlord's Environmental Covenant**

The Landlord covenants and agrees that it shall be liable for all Hazardous Substances on the Premises arising prior to or attributable to the period prior to the Commencement Date. The onus of proving the timing of the occurrence of the Hazardous Substances shall be on the Landlord.

## **15.3 Inquiries by the Landlord**

The Tenant hereby authorizes the Landlord to make inquiries from time to time of any government or governmental agency with respect to the Tenant's compliance with the Environmental Law at the Premises, and the Tenant covenants and agrees that the Tenant will from time to time provide to the Landlord such written authorization as the Landlord may reasonably require in order to facilitate the obtaining of such information. The Landlord or its agent may inspect the Premises from time to time on at least 24 hours prior written notice, in order to verify the Tenant's compliance with the Environmental Law and the requirements of this Lease respecting Hazardous Substance. If the Landlord suspects that the Tenant is in breach of any of its covenants herein, the Landlord and its agent shall be entitled to conduct an environmental audit immediately, and the Tenant shall provide access to the Premises to the Landlord and its agent for the purpose of conducting an environmental audit. The Tenant shall forthwith remedy any problems identified by the environmental audit, and shall ensure that it complies with all of its covenants herein. Upon request by the Landlord from time to time, the Tenant shall provide to the Landlord a certificate executed by a senior officer of the Tenant certifying ongoing compliance by the Tenant with its covenants contained herein.

## **15.4 Ownership of Hazardous Substances**

If after the Commencement Date the Tenant brings on to or creates upon the Premises a Hazardous Substance not in compliance with Environmental Law or if the conduct of the Tenant's business causes the presence of any Hazardous Substance not in compliance with Environmental Law upon the Premises then, notwithstanding any rule of law to the contrary, such Hazardous Substance shall be and remain the sole and exclusive property of the Tenant and shall not become the property of the Landlord notwithstanding the degree of affixation of the Hazardous Substance or the goods containing the Hazardous Substance to the Premises and notwithstanding the expiry or earlier termination of this Lease. Any Hazardous Substance on the Premises not in compliance with Environmental Law and which existed prior to the Commencement Date or is attributable to the period prior to the Commencement Date shall remain the property and liability of the Landlord notwithstanding the degree of affixation to the Premises.

## **15.5 Cost of Environmental Audits**

Where the Landlord is entitled to conduct an environmental audit of the Premises pursuant to the provisions of this Lease or otherwise chooses to do so, the cost of such audit shall be at the Landlord's expense if such audit fails to reveal Hazardous Substances that breach Environmental Law or reveals

Hazardous Substances that breach Environmental Law but such breach arose or is attributable to the period prior to the Commencement Date. If such audit reveals Hazardous Substances that breach Environmental Law but such breach arose or is attributable to the period from and after the Commencement Date to the end of the Term, the cost of such audit shall be at the Tenant's expense.

## **ARTICLE 16 EXPROPRIATION**

### **16.1 Taking of Premises**

If during the Term all of the Premises shall be taken for any public or quasi-public use under any statute or by right of expropriation, or purchases under threat of such taking, this Lease shall automatically terminate on the date (the "Expropriation Date") on which the expropriating authority takes possession of the Premises.

### **16.2 Partial Taking of Building**

If during the Term only part of the Building is taken or purchased as set out in section 16.1, then:

- (a) if in the reasonable opinion of the Landlord substantial alteration or reconstruction of the Building is necessary or desirable as a result thereof, whether or not the Premises are or may be affected, the Landlord shall have the right to terminate this Lease by giving the Tenant at least 30 days written notice of such termination, and
- (b) if more than one-third of the area of the Lands in the Premises is Included in such taking or purchase, the Landlord and the Tenant shall each have the right to terminate this Lease by giving the other at least 30 days written notice thereof.

If either party exercises its right of termination hereunder, this Lease shall terminate on the date stated in the notice, provided however, that no termination pursuant to notice hereunder may occur later than 60 days after the Expropriation Date.

### **16.3 Surrender**

On any such date of termination under sections 16.1 or 16.2, the Tenant shall immediately surrender to the Landlord the Premises and all interest therein under this Lease. The Landlord may re-enter and take possession of the Premises and remove the Tenant therefrom, and the Rent shall abate on such date in respect of the portion taken. After such termination, and on notice from the Landlord stating the Rent then owing, the Tenant shall forthwith pay the Landlord such Rent.

### **16.4 Partial Taking of Premises**

If any portion of the Premises (but less than the whole thereof) is so taken, and no rights of termination herein conferred are timely exercised, the Term of the Lease shall expire with respect to the portion so taken on the Expropriation Date. In such event the Rent payable hereunder with respect to such portion so taken shall abate on such date, and the Rent thereafter payable with respect to the remainder not so taken shall be adjusted pro rata by the Landlord in order to account for the resulting reduction in the Premises.

### **16.5 Awards**

Upon any such taking or purchase, the Landlord shall be entitled to receive and retain the entire award or consideration for the affected lands and improvements, and the Tenant shall not have nor advance any claim against the Landlord for the value of its property or its leasehold estate or the

unexpired Term of the Lease, or for costs of removal or relocation, or business interruption expense or any other damages arising out of such taking or purchase. Nothing herein shall give the Landlord any interest in or preclude the Tenant from seeking and recovering on its own account from the expropriating authority any award or compensation attributable to the taking or purchase of the Tenant's improvements, chattels or trade fixtures, or the removal or relocation of its business. If any such award made or compensation paid to either party specifically includes an award or amount for the other, the party first receiving the same shall promptly account therefore to the other.

## **ARTICLE 17 ARBITRATION**

### **17.1 Selection of Experts and Arbitration**

- (a) Whenever the Landlord and Tenant are required to select an Expert under this Lease and have not agreed to do so or have not agreed upon an Expert within 10 Business Days of written notice by one party to the other, either party may make an application to the superior court in Calgary, Alberta on 3 Business Days' notice to the other party requesting that a judge of that court choose an appropriate Expert. In making such selection the judge will select an appropriate professional with a minimum of five years' experience in the relevant field and from one of the 5 largest applicable professional firms in Calgary, as applicable. The judge's selection shall be final and binding on the Landlord and Tenant.
- (b) In the event of a dispute as to: (i) Operating Costs; (ii) the determination of capital expenditures or items; (iii) matters under sections 8.4, 8.5 or 8.6; (iv) matters which the Landlord and Tenant agree should be determined in accordance with this section; or (v) any other provision of this Lease that specifically invokes this section 17.1(b), such determination shall be made in the following manner. If either the Landlord or the Tenant (hereinafter called the 'Initiator') wish to determine the matter in question (the "Issue"), the Initiator shall give written notice (hereinafter called an "Arbitration Notice") to the other (hereinafter called the "Recipient") and in the Arbitration Notice shall set out the name of Expert to determine the Issue. If Recipient does not agree as to the Expert proposed by the Initiator within 10 Business Days of receipt of the Arbitration Notice, then the Expert shall be selected pursuant to section 17.1(a). Within 45 days of the appointment of the Expert, the Expert shall deliver a written report and decision as to the Issue. If the Expert fails to deliver a written report within the required time period the Expert, in the absence of an extension of time from both parties, shall be deemed to be dismissed as of the day after such 45 day period and the parties shall select a successor Expert within 5 Business Days of such dismissal. If neither the Recipient nor the Initiator can agree upon the successor Expert within 10 Business Days of written notice by one party to other to do so, then the successor Expert shall be selected pursuant to section 17.1(a). The decision of the Expert shall be final and shall not be subject to appeal and shall establish the Issue. Each of the Tenant and the Landlord shall be responsible and shall pay for its own costs and expenses of any arbitration pursuant to this provision including 1/2 of the costs and expenses of the Expert and any court proceedings required to effect such appointment. Until the Issue has been determined as herein provided, the Tenant shall continue to pay all amounts due under the Lease including any amount in dispute which is the subject of the Issue. Upon determination of the Issue the Tenant or the Landlord shall immediately make the appropriate adjustment payment, if any, to the other and, to the extent necessary, the Lease amended accordingly.
- (c) Except for disputes to be resolved by the method set out in section 17.1(b), failing resolution of any other dispute between the Landlord and Tenant as to this Lease (except for the payment of Basic Rent or any element of Additional Rent other than those

elements described in section 17.1(b)), such dispute shall be referred to and determined by arbitration under this section 17.1(c) as follows:

- (i) the party alleging a dispute (the "Initiating Party") shall notify the other party in writing of the nature and extent of the dispute (the "Initial Notice");
- (ii) within 21 full days from receipt of Initial Notice, the other party shall in writing notify the Initiating Party of any matter referred to in the Initial Notice for which it accepts responsibility and proposes to take remedial action;
- (iii) the terms of reference for arbitration shall be those areas of dispute referred to in the Initial Notice with respect to which the other party has not admitted responsibility or proposed to take remedial action to the satisfaction of the Initiating Party;
- (iv) within 14 days of the terms of reference being established under subsection (iii), the parties shall endeavour to agree upon the appointment of a single arbitrator;
- (v) failing agreement as to a single arbitrator, either party may make an application to the superior court in Calgary, Alberta on 5 days' notice to the other party requesting that a judge of that court choose an arbitrator. In making such selection the judge will select an appropriate professional with a minimum of 10 years' experience in that particular field and from one of the 5 largest applicable professional firms in Calgary, as applicable; the judge's selection shall be final and binding on the Landlord and Tenant;
- (vi) the arbitrator shall resolve the matters in dispute referred to in the terms of reference, within 90 days of the arbitrator being established;
- (vii) the decision of the arbitrator shall be binding on the parties;
- (viii) the costs of arbitration shall be apportioned between the parties hereto as the arbitrator may provide;
- (ix) the Tenant and the Landlord and the arbitrator and any employees, agents or contractors or any of them, each will undertake to ensure that confidentiality is maintained to the highest degree possible utilizing the efforts, as to all conversations, statements, documents, reports, studies, data, notes, memoranda, evidence of all types, transcripts, correspondence, records of arbitration proceedings and decisions, and all such information and materials, written or not, emanating directly, indirectly or incidentally through the discussion of, investigation of, preparation of, conduct of, or settlement or resolution of any arbitration between the Landlord and the Tenant under this Lease; and
- (x) the Tenant and the Landlord and the arbitrator and any employees, agents or contractors or any of them, each will undertake to return originals and copies thereof of all documents, reports, studies, data, notes of memoranda, to the party from whom they emanated at the conclusion of the matters and judicial reviews arising therefrom.

## **ARTICLE 18 GENERAL**

### **18.1 No Waiver**

The Landlord's failure to insist in one or more cases upon the strict performance of or compliance with a covenant, provision or condition or to exercise any of its rights arising out of the Tenant's default will not constitute a waiver of the Landlord's right to insist upon the performance, compliance or observance of or with any other covenant, provision or condition. The Landlord's acceptance of Rent, whether or not with the knowledge of a breach of a covenant or condition contained in this Lease, will not constitute a waiver of the breach. The Landlord's acceptance of Rent from any person other than the Tenant will not be considered a recognition of any rights not expressly granted in this Lease or a waiver of any of the Landlord's rights, or an admission or consent that the person is a subtenant or assignee of this Lease. No waiver by the Landlord of a provision of this Lease will be considered to have been made unless in writing and signed by the Landlord.

### **18.2 Reasonableness**

Except as may be otherwise specifically provided in this Lease, whenever the Landlord's or the Tenant's action, discretion, consent, opinion, determination, direction, estimate or approval is required under this Lease, the Landlord and the Tenant agree that such action, discretion, opinion, determination, direction or estimate shall be reasonably exercised and that such approval or consent shall not be unreasonably withheld or delayed unless otherwise expressly stated in this Lease. Whenever the term "reasonable notice" is used in this Lease with respect to actions to be taken by the Landlord or any other matter requiring reasonable notice from the Landlord to the Tenant, such notice will be given at least 24 hours before such action or matter is to be taken or take effect except in the case of emergency. In the case of emergency, the Landlord will be entitled to act without notice but to the extent the Landlord can do so will provide notice to the Tenant of the action or matter and the determination of a state of emergency will be in the Landlord's sole discretion.

### **18.3 Accord and Satisfaction**

No payment by the Tenant or receipt by the Landlord of a lesser amount than the full monthly payment of Basic Rent and Additional Rent herein stipulated is considered to be other than on account of the earliest stipulated Basic Rent or Additional Rent. No endorsement or statement on any cheque, bank draft or money order or in any letter accompanying any cheque or rent payment may be considered an acknowledgement of full payment or an accord and satisfaction; the Landlord may accept and cash any such cheque or payment without prejudice to the Landlord's right to recover the balance of such rent or pursue any other remedy that the Landlord may have.

### **18.4 Excusable Delay**

If, because of a circumstance beyond the control of a party, the party is delayed in performing or observing a covenant or in complying with a condition under the terms of this Lease that it is required to do by a specified date or time, and if such circumstance is neither caused by the default or act of commission or omission of that party nor avoidable by the exercise of reasonable effort or foresight by that party, the date or period of time by or within which it is to perform, observe or comply will be extended by a period of time equal to the duration of the delay, and the other party to this Lease will not be entitled to compensation for damages, inconvenience, nuisance or discomfort occasioned thereby. Such circumstances include, but are not limited to, strikes or other labour or industrial disturbances, civil disturbances, acts, orders, legislation, regulations or directives of any government or other public authorities, shortage of material and supplies, explosion and act of God. Nothing in this section however, excuses a delay caused by lack of funds or other financial circumstances, or excuses any party to this Lease from paying when due and payable any moneys payable pursuant to this Lease.

## **18.5 Entry by Landlord**

The Tenant will permit the Landlord and its authorized agents, employees and contractors to enter upon the Premises at all reasonable times to examine and inspect the Premises, to provide janitorial and maintenance services and to make all repairs, alterations, changes, adjustments, improvements or additions to the Premises or the Building (including the Building Systems) that the Landlord considers necessary or desirable, whether or not for the direct benefit of the Premises. For these purposes, the Landlord may take all material into the Premises that is required therefor and may have access to the overhead conduits and access panels to shafts and the Landlord may check, calibrate, adjust and balance controls and other parts of the Building Systems. The Rent will not abate while any repairs, alterations, changes, adjustments, improvements or additions are being made and the Landlord will not be liable in any manner whatsoever as a result of such entry for any injury or death caused to any person or for loss or damage to the property of the Tenant or of others. The Tenant will provide free and unhampered access to any part of the Building Systems for the above purposes and will not be entitled to compensation for any damages whatsoever, inconvenience, nuisance or discomfort caused thereby but the Landlord will make reasonable efforts to minimize interference with the Tenant's use and enjoyment of the Premises. Despite the foregoing, the Landlord will endeavour to give the Tenant at least five (5) Business Days prior notice before doing any repair or maintenance work in the Premises during Business Hours except in the case of emergencies. If the Tenant is not personally present to admit entry into the Premises at any time, when for any reason an entry into the Premises is necessary or permissible by this Lease the Landlord or its agent may, to the extent necessary, forcibly enter the Premises without liability therefor and without affecting the obligations and covenants of this Lease. No entry made or task undertaken by or on behalf of the Landlord upon the Premises pursuant to this section is a re-entry or a breach of the Landlord's covenant for quiet enjoyment.

## **18.6 Exhibiting Premises**

The Landlord and its agents are permitted, without notice to or consent by the Tenant to exhibit the Premises at all reasonable hours during the last 12 months of the Term to prospective tenants and to all other persons having the Landlord's written authority to view the Premises. The Landlord may enter the Premises at all reasonable hours during the Term to show the Premises to present or prospective mortgagees, insurers and purchasers. None of these actions shall constitute an eviction or otherwise be construed as a breach of the Landlord's covenant for quiet enjoyment.

## **18.7 Notices**

Each notice., demand, approval, consent, waiver, statement or request (collectively referred to as "notice") required or permitted to be given under this Lease must be in writing and will be effectively given if duly signed by the party giving the notice or their solicitors and shall be delivered or transmitted by registered mail (unless there is a postal strike), or facsimile transmission or delivered personally to:

- (a) the Landlord:  
at its address set out in section 1.1(a);
- (b) the Tenant:  
at its address set out in section 1.1(c).

Either party may from time to time change the address to which notices are to be mailed or delivered by advising the other party of such change in the manner set out above. During a postal strike all notices must be delivered personally or by facsimile transmission.

#### **18.8 Further Assurances**

The Landlord and the Tenant will execute and deliver such additional documents and instruments and will perform such additional acts as may be necessary or appropriate in connection with this Lease and all transactions contemplated by this Lease to effectuate, carry out and perform all of the obligations and agreements of this Lease and such transactions,

#### **18.9 Obligations as Covenants**

Each obligation or agreement of the Landlord or of the Tenant expressed in this Lease, even though not expressed as a covenant, is for all purposes considered to be a covenant.

#### **18.10 Entire Agreement and Amendment**

There are no promises, agreements, conditions, understandings, warranties or representations, either oral or written, between the parties or made on behalf of and binding upon the parties in respect of the rights, obligations, duties and liabilities of the parties under this Lease unless set out herein. This Lease contains the entire agreement of the parties as to the subject matter of this Lease. No alteration, amendment, change or addition to this Lease will be binding upon the Landlord or the Tenant unless in writing and signed by the parties.

#### **18.11 General Contract Provisions**

If any provision of this Lease or its application to any person or matter is to any extent held or rendered invalid or unenforceable, such provisions shall be considered and deemed separate and severable from the other provisions of this Lease, the latter to remain in full force and effect, enforceable to the full extent permitted by law. Time is and shall at all times be of the essence under this Lease. The provisions of this Lease will be interpreted and enforced according to the laws and courts of Alberta.

#### **18.12 Successors and Assigns**

All rights granted to and liabilities imposed upon, the parties in this Lease benefit and bind the successors and assigns of the Landlord and the Tenant, as the case may be, subject to complying with the requirements of this Lease as to transfers of interests under this Lease by either the Landlord and the Tenant.

#### **18.13 No Partnership**

It is understood and agreed that nothing contained in this Lease or in any acts of the parties hereto shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

#### **18.14 Confidentiality**

Unless otherwise compelled by law, the Tenant and the Landlord shall cause their respective employees, agents, shareholders, servants, directors, officers and those for whom each of them is legally responsible to keep all provisions of this Lease confidential. The Tenant's and the Landlord's obligation to observe and perform the provisions of this section shall survive the expiration or earlier termination of this Lease.

#### **18.15 Additional Provisions**

The additional provisions that are applicable to this Lease are attached as Schedule "D".

#### 18.16 Counterparts and Electronic Delivery

This Lease may be executed by a party and delivered by facsimile or by email in PDF and if so executed and delivered this Lease will be for all purposes effective as if the parties had delivered and executed the original Lease.


### ARTICLE 19 ACCEPTANCE OF LEASE

#### 19.1 Acceptance of Lease


The Tenant and the Landlord each accept this Lease subject to the conditions, restrictions and covenants herein set forth.

**IN WITNESS** of this Lease, the Landlord and Tenant have signed this Lease.

**RBEE AGGREGATE CONSULTING LTD.**

Per:   
Name: BERNIE REED  
Title: PRES.

**1258311 ALBERTA LTD.**

Per:   
Name: BERNIE REED  
Title: PRES.

**Schedule "A" – Legal Description of the Property**

**[NTD: To be Completed.]**

## **Schedule "B" – Diagram of Premises**

See attached.

## **Schedule "C" - Rules and Regulations**

See attached.

## **Schedule "D" - Additional Provisions**

### **1. Renewal Option**

The Tenant shall have one (1) renewal option (the "**Renewal Option**") to renew and extend the Term for a further five (5) years beyond the Expiry Date set forth in section 1.1(e) of the Lease. Such renewal shall be on the same terms and conditions set out in the Lease, and with Basic Rent as follows:

Basic Rent	Per Annum	Per Month
Years 1-5	\$960,000.00	\$80,000.00

The Tenant may exercise the Renewal Option by giving the Landlord not more than twelve (12) months nor less than one (1) month written notice thereof prior to the Expiry Date set forth in section 1.1(e) of the Lease.

## **Schedule "E" - Landlord's and Tenant's Work**

None.

# APPENDIX “E”

Reed Undertakings and Fisher Undertakings

COURT FILE NO. 25-2831494

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Edmonton

Clerk's Stamp

IN THE MATTER OF THE BANKRUPTCY OF  
RBEE AGGREGATE CONSULTING LTD.

APPLICANT FTI CONSULTING CANADA INC., SOLELY IN ITS CAPACITY AS  
LICENSED INSOLVENCY TRUSTEE OF THE BANKRUPT ESTATE OF  
RBEE AGGREGATE CONSULTING LTD.

RESPONDENTS A-1 QUALITY BELTING LTD  
1258311 ALBERTA LIMITED  
BERNIE REED  
JANET FISHER

DOCUMENT **RESPONSES TO ANSWERS TO UNDERTAKINGS OF BERNIE REED  
GIVEN MARCH 20, 2024**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Russell A. Rimer  
Barrister & Solicitor  
Phone: 780.441.4348  
Fax: 780.428.9683  
Email: rrimer@dcllp.com  
File # 132- -216318

**DUNCAN CRAIG LLP**  
LAWYERS MEDIATORS  
2800 Rice Howard Place  
10060 Jasper Avenue  
Edmonton, Alberta Canada T5J 3V9

**Undertaking No. 1**

To locate and provide any written agreement which insists whereby A-1 Quality Belting Ltd. is renting equipment to RBee Aggregate Consulting Ltd.

**Answer**

Equipment Listing for monthly rental from May to December 2021 attached.

**Undertaking No. 2**

To provide the agreement in writing wherein RBee Aggregate Consulting Ltd. was going to pay A-1 Quality Belting Ltd. a consulting fee for services on a monthly basis.

**Answer**

Copy of Consulting Agreement between Rbee and A-1 signed by Tim Oldfield on behalf of RBee made effective November 1, 2017 is attached.

**Undertaking No. 3**

To check and provide details on any supporting documentation which exists for the \$300,000 referred to in the email at Exhibit I.

**Answer**

Exhibit I (email from Jeff Johnson) attached for ease of reference.

A-1 February 2021 ATB bank statement attached showing 200k EFT settlement and 100k disbursement. This is the \$300k which was forwarded to RBee by A-1 as a loan.

A-1 August 2021 ATB bank statement attached showing deposit of \$803,497.31 on August 20, 2021, 300k of which was repayment of this loan.

**Undertaking No. 4**

To check and provide details on any supporting documentation which exist for the \$500,000 referred to in the email at Exhibit I.

**Answer**

See answer to Undertaking number 3: the \$500,000 loan repayment to A-1 was paid back to A-1 along with the \$300,000 loan repayment on or about August 20, 2021.

**Undertaking No. 5**

To provide a copy of the cheque paid from RBee Aggregate Consulting Ltd. to Mr. Reed in his personal capacity, not to A-1 Quality Belting Ltd.

**Answer**

Page 117 of transcript: Counsel for Trustee indicated that he would provide a copy of the cheque issued by RBee to Bernie Reed for \$800,000. Copy of cheque and RBee bank statement attached. Mr. Reed confirms that the funds were deposited into A-1's bank account on August 20, 2021.

**A-1 Quality Belting Ltd.**  
**PO Box 65**  
**Wembley, Alberta T0H 3S0**  
**Phone: (780) 814-7696**

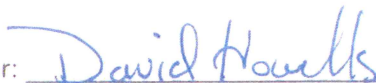
EQUIPMENT LISTING FOR MONTHLY RENTAL INVOICE FROM MAY – DECEMBER  
2021 Price - \$325,000/month

8 – WA600 Komatsu Wheel Loaders  
5 – HM400 40 Tonne Trucks  
7 – A40 Volvo Rock Trucks  
3 – 345D Cat Excavators  
1 – 365C Cat Excavator  
2 – 55ft. Zoomboom Lift Trucks  
1 – 140ft x 36" Extendable Conveyor  
1 – 36" x 150ft KPI Super Stacker  
3 – 36" x 60ft Wheeled Field Conveyors  
1 – 650 Komatsu Excavator  
1 – 6x20 Elrus Screen Plant  
1 – 6x16, 6x20 Elrus Twin Screen Plant  
2 – 36"x120ft McLoskey Radial Stacking Conv  
2 – 60 Tonne Aspen Lowbeds c/w Keep and Booster Arrangements  
8 – KPI 7x20 Two Deck Screen Decks  
1 – JCI Twin Screen Plant c/w 2-7x20 Screen Decks  
1 – Sumas Welding Surge Bin c/w 54" Infeed and 54" out Feed Conveyers  
1 – 2021 Two Bin Belt Feeder c/w 42" Under Hopper Flat Belts and 48" Cross Conveyors  
1 – Cummins 1000KW Generator Set  
3 – 246C Cat Skid Steers

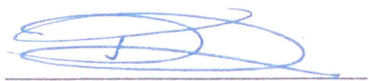
Pickups April 1, 2021 - \$20,157.65 on a month to month basis  
Initial payment June 21, 2021 \$81,912.00

Year	Make	Model	Colour	VIN
2021	Chevrolet	Silverado	D. Blue	1GC4YUEY0MF214165
2021	Chevrolet	Silverado	White	1GC4YUEY3MF214449
2021	Chevrolet	Silverado	White	1GC4YUEY0MF214330
2021	Chevrolet	Silverado	White	1GC4YSEY7MF221263
2021	Chevrolet	Silverado	White	1GC4YUEY5MF214405
2021	Chevrolet	Silverado	White	1GC4YUEY7MF214454
2021	Chevrolet	Silverado	White	1GCUYEED8MZ232155
2021	Chevrolet	Silverado	White	1GC4YUEY0MF214568
2021	Chevrolet	Silverado	White	1GCUYHELXMZ202762
2021	Chevrolet	Silverado	White	1GC4YUEY9MF214388

Company Director:



Signature:



## GENERAL CONDITIONS OF EQUIPMENT RENTAL AGREEMENT (LEASE)

The conditions of lease here below stated, together with the Agreement set forth on Page 1 constitute a contract between the parties therein named which contract is hereafter referred to as "this Agreement".

- 1) **RENTAL PERIOD.** The Rental period shall cover all time consumed in transporting the equipment, including the date of legal delivery to a public carrier for transit to Lessee and upon return of the equipment, the date of legal delivery by such carrier to Lessor, or if no public carrier is used, shall include the date upon which transit to Lessee begins and the date upon which transit from Lessee ends at Lessor's unloading point.
- 2) **CALCULATION OF RENTAL CHARGES.**
  - a. MONTHLY RENTAL RATES are for a period of 4 weeks (28 days), computed from the date of commencement of the rental period and shall apply when the number of hours the equipment is operated in any one month does not exceed 200 (two hundred) hours.
  - b. WEEKLY RENTAL RATES are for a period of one week (7 days), from the day of commencement of the rental period up to but not including the same day in the following week and shall apply when the number of hours the equipment is operated in any one week does not exceed 50 (fifty) hours.
  - c. OVERTIME CHARGES: where equipment is operated in excess of the above stated hourly maximum. Such excess shall be charged at the rate specified on Page 1 of this Agreement.
  - d. Rental rates shall not be subject to any deduction of any non-working time during the rental period, nor because the Customer returns the equipment before the expiration of the Guaranteed Rental Period.
- 3) **PAYMENT.** The rent for any and every item of equipment described in the Description of Equipment shall be the amount therein designated and is payable in advance on the first day of each period. Lessee shall pay Lessor interest at eighteen percent (18%) or the highest lawful rate, whichever is greater, on any delinquent payment from the date when such payment was due until paid and on any other sum for breach of this Agreement, from the date of the breach, and expenses of collection or suit, including actual attorneys' fees.
- 4) **FEES, ASSESSMENTS, AND TAXES PAID BY LESSEE.** Lessee shall pay all license fees, assessments, and sales, use, property and excise, and other taxes or hereafter imposed, and relating to Lessee's use or possession of the equipment.
- 5) **MAINTENANCE, OPERATION AND REPAIRS: THE LESSEE DECLARES THAT HE OR ITS EMPLOYEES UNDERSTAND THE OPERATION OF THE EQUIPMENT.** The Lessee shall not remove, alter, disfigure or cover up any numbering, lettering or insignia displayed upon the equipment without express permission from the Lessor, and shall ensure that the equipment is not subjected to careless or needlessly rough usage, and shall at the Lessee's own expense, maintain and ultimately return the equipment and its appurtenances in good repair and operating condition. This Agreement shall continue to be in force until the Lessor's equipment and its appurtenances are returned in good repair and operating condition. Without limiting the generality of the foregoing, the Lessee shall, at the Lessee's own expense, during the term of this Agreement pay the cost of:
  - a. Greasing daily, change engine oil every 250 hours.
  - b. All fuel, oil and lubricants required to operate the equipment.
  - c. All repairs and replacement parts including labor charges, required to be made to the equipment in order to keep it in good repair and running order.
- 6) **DISCLAIMER OF WARRANTIES.** Lessor, being neither the Manufacturer, nor a Supplier, nor a Dealer in the equipment, makes no warranties, express or implied, as to any matter whatsoever, including, without limitation, the condition of the equipment its merchantability, its design, its capacity, its performance, its material, its workmanship, its fitness for any particular purpose, or that it will meet the requirements of any laws, rules, specifications, or contracts which provide for specific apparatus or special methods. Lessor further disclaims any liability whatsoever for loss, damage, or injury to Lessee or third parties as a result of any defects, latent or otherwise, in the equipment. As to Lessor, Lessee leases the equipment "as is". Lessor shall not be liable in any event to Lessee for any loss, delay, or damage of any kind or character resulting from defects in, or inefficiency of, equipment hereby leased or accidental breakage thereof.
- 7) **INDEMNITY.** Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorney's fees, arising out of, connected with, or

resulting from the equipment or the Lease, including without limitation, the manufacture, selection, delivery, leasing, renting, control, possession, use, operation, maintenance or return of the equipment. Lessee shall further indemnify Lessor, and hold Lessor harmless from all loss and damage to the equipment during the rental period. Lessee recognizes and agrees that included in this indemnity clause, but not by way of limitation, is Lessee's assumption of any and all liability for injury, disability and death of workmen and other persons caused by the operation, use, control, handling, or transportation of the equipment during the Rental Period.

- 8) **RISK OF LOSS.** Lessor shall not be responsible for loss or damage to property, material, or equipment belonging to Lessee, its agents, employees, suppliers, or anyone directly or indirectly employed by Lessee while said material property, or equipment is in Lessor's care, custody, control or under Lessor's physical control. Lessee is encouraged to obtain appropriate equipment, material, or installation floater insurance against such risk of loss. Lessee and its insurers waive all rights of subrogation against Lessor for such losses.
- 9) **INSPECTION: CONCLUSIVE PRESUMPTIONS.** Lessee shall inspect the equipment within three (3) business days after receipt thereof. Unless Lessee within said period of time gives written notice to Lessor, specifying any defect in or other proper objection to the equipment. Lessee agrees that it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected and acknowledged that the equipment is in full compliance with the terms of this agreement, in good condition and repair, and that Lessee is satisfied with and has accepted the equipment in such good condition and repair. Lessor shall have the right at any time to enter the premises occupied by the equipment and shall be given free access thereto and afforded necessary facilities for the purpose of inspection.
- 10) **OWNERSHIP.** Lessor shall at all times retain ownership and title of the equipment. Lessee shall give Lessor immediate notice in the event that any of said equipment is levied upon or is about to become liable or is threatened with seizure, and Lessee shall indemnify Lessor against all loss and damages caused by such action.
- 11) **DEFAULT; REMEDIES.** If (a) Lessee shall default in the payment of any rent or in making any other payment hereunder when due, or (b) Lessee shall default in the payment when due of any indebtedness of Lessee to Lessor arising independently of this lease, or (c) Lessee shall default in the performance of any other covenant herein and such default shall continue for five days after written notice hereof to Lessee by Lessor, or (d) Lessee becomes insolvent or makes an assignment for the benefit of creditors, or (e) Lessee applies for or consents to the appointment of a receiver, trustee, or liquidator or Lessee or of all or a substantial part of the assets of Lessee under the Bankruptcy Act, or any amendment thereto (including, without limitation, a petition for reorganization, arrangement, or extension) or under any other insolvency law or law providing for the relief of debtors, then if and to the extent permitted by applicable law. Lessor shall have the right to under any other insolvency law or law providing for the relief of debtors, then, if and to the extent permitted by applicable law. Lessor shall have the right to exercise any one or more of the following remedies.
  - a. To declare the entire amount of rent hereunder immediately due and payable as to any or all items of the equipment, without notice or demand to Lessee.
  - b. To sue for and recover all rents, and other payments, then accrued or thereafter accruing, with respect to any or all items of the equipment.
  - c. To take possession of any or all items of the equipment without demand, notice, or legal process, wherever they may be located. Lessee hereby waives any and all damages occasioned by such taking of possession. Any said taking of possession shall not constitute a termination of this lease as to any or all items of equipment unless Lessor expressly so notifies Lessee in writing.
  - d. To terminate this lease as to any or all items of equipment.
  - e. To pursue any other remedy at law or in equality.
- 12) **NO SUBLETTING ASSIGNMENT.** No equipment shall be sublet by Lessee, nor shall he assign or transfer any interest in this Agreement without written consent of Lessor. Lessor may assign this Agreement without notice. Subject to the foregoing, this Agreement inures to the benefit of, and is binding upon, the heirs, successors, and assigns of the parties hereto.
- 13) **INSURANCE.** The Lessee shall at his (its) own expense, provide insurance in the name of the Lessor and Lessee in the amount specified on Page 1 of this Agreement (including loss-payable and loss of use endorsements) against liability for bodily injuries including death and or property damage arising from all use of the equipment and to protect Lessor against all loss of or damage to the equipment to the value specified on Page 1 of this Agreement. Insurance shall be in effect from delivery date to date of return to Lessor. Proof of Insurance shall be delivered to Lessor prior to delivery date and on all renewal dates.
- 14) **ENTIRE AGREEMENT.** This instrument constitutes the entire agreement between Lessor and Lessee, and it shall not be amended, altered or changed except by a written agreement signed by the parties hereto.

## **CONSULTING AGREEMENT**

**THIS AGREEMENT** made as of the 1<sup>st</sup> day of November, 2017.

**BETWEEN:**

**RBEE AGGREGATE CONSULTING LTD.**, a body corporate incorporated under the laws of Alberta (hereinafter called the "**Corporation**")

- and -

**A 1 QUALITY BELTING LTD.**, a body corporate incorporated under the laws of Alberta (hereinafter called the "**Consultant**")

**WHEREAS** the Corporation requires certain consulting services as set forth herein;

**AND WHEREAS** Bernie Reed is the Consultant's principal (the "**Principal**");

**AND WHEREAS** the Consultant agrees to provide such consulting services to the Corporation pursuant to the terms of this Agreement;

**NOW THEREFORE** in consideration of the agreement by the Corporation to enter into this Agreement, and the provision of services by the Consultant to the Corporation, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **ARTICLE I** **DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, the following terms shall have the following meanings:

- (a) "**Agreement**" means this consulting agreement;
- (b) "**Corporation Property**" includes any materials, tools, equipment, devices, records, files, data, software, communications, proposals, correspondence, specifications or any other documents or property relating to the business of the Corporation or belonging to the Corporation or any Related Corporation;
- (c) "**Confidential Information**" means any information of a confidential nature which relates to the business or activities of the Corporation or any Related Corporation, including, without limiting the generality of the foregoing, trade secrets, technical information, marketing plans, sales and pricing policies, financial information, business plans, methods, documentation, intellectual property, software, products, strategic studies, engineering information, customer and supplier lists, shareholder data and personnel information. Notwithstanding the foregoing, Confidential Information shall not include any information which:

- (i) is or becomes public knowledge through no fault of the Consultant or the Principal;
  - (ii) is independently developed by the Consultant outside the scope of its Services to the Corporation;
  - (iii) is disclosed by the Corporation to another Person without any restriction on its use or disclosure; or
  - (iv) is or becomes lawfully available to the Consultant from a source other than the Corporation;
- (d) **"Effective Date"** means the date of this Agreement first written above;
- (e) **"GST"** means all taxes payable under Part IX of the *Excise Tax Act* (Canada);
- (f) **"Notice"** means any Notice given by one Party to the other Party in accordance with Article IX;
- (g) **"Party"** means either of the Consultant and the Corporation, and **"Parties"** means the Consultant and the Corporation;
- (h) **"Person"** means an individual, a partnership, a corporation, a limited or unlimited liability company, a trust, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual;
- (i) **"Related Corporation"** means any subsidiary, parent company, division, affiliate, predecessor or successor, howsoever organized, of the Corporation;
- (j) **"Remuneration"** means those amounts payable by the Corporation to the Consultant pursuant to Section 5.1;
- (k) **"Services"** has the meaning set out in Schedule "A";
- (l) **"Taxes"** means all federal, provincial and municipal taxes including, without limitation, amounts payable under the *Income Tax Act*, the *Employment Insurance Act*, the *Excise Tax Act* and the *Canada Pension Plan Act*;
- (m) **"Term"** means the period during which this Agreement remains in force pursuant to Section 2.2;
- (n) **"Termination Date"** means the last day that the Consultant actively performs services for the Corporation; and

1.2 The headings in this Agreement are inserted for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

1.3 All words in this Agreement importing the singular number include the plural, and vice versa. All words importing gender include the masculine, feminine and neuter genders.

1.4 All monetary amounts in this Agreement are in Canadian dollars.

1.5 The Schedules to this Agreement are as follows:

- (a) Schedule "A" - Services; and
- (b) Schedule "B" – Form of Expert Agreement.

In the event of any inconsistency between the terms of this Agreement and the Schedules hereto; the terms of this Agreement shall prevail.

## **ARTICLE II**

### **TERMS OF ENGAGEMENT**

2.1 The Corporation agrees to engage the Consultant to provide the Services set out herein during the Term.

2.2 The Term shall be for an indefinite period commencing on the Effective Date, unless earlier terminated by the Corporation or the Consultant pursuant to the terms of this Agreement.

## **ARTICLE III**

### **INDEPENDENT CONTRACTOR**

3.1 The Consultant represents that it is in business for itself and that it is an independent contractor for the purposes of the *Income Tax Act*. Nothing in this Agreement shall be regarded or construed as creating any relationship, whether employer/employee, joint venture, agency, association, partnership, dependent contractor or otherwise, between the Consultant and the Corporation, or between the Corporation and any Person, agent or employee related to, belonging to or employed by the Consultant, other than an independent contractor relationship as set out herein.

3.2 The Parties agree that the Corporation shall direct the Consultant only as to the results to be achieved from the provision of the Services by the Consultant, and not as to the detail, manner or method of achieving such results.

## **ARTICLE IV**

### **CONSULTING SERVICES**

4.1 The Consultant shall, during the Term:

- (a) provide the Services set out in Schedule "A" to the Corporation in a timely and professional manner; and
- (b) use its professional skill, diligence and care to ensure that the Services are provided and completed to the reasonable satisfaction of the Corporation, and

perform the Services in a diligent and workmanlike manner in accordance with the best industry methods, standards and practices available. The Consultant shall comply with all applicable laws, regulations, rules, codes, orders and standards imposed by the applicable federal, provincial or local government authorities with respect to the provision of any Services, and shall not subcontract the provision of any Services without the prior written consent of the Corporation.

4.2 Unless otherwise agreed to by the Corporation in writing, the Consultant shall provide the services of the Principal to perform on a full-time basis all of the Services required to be provided under this Agreement, in accordance with the terms of this Agreement.

## **ARTICLE V** **REMUNERATION**

5.1 The Corporation shall pay the Consultant a fee of \$256,000 per annum (the "**Base Fee**") plus any GST payable in respect of such Services and any reasonable out-of-pocket expenses incurred by the Consultant in the performance of the Services (the "**Remuneration**").

5.2 The Consultant shall render an invoice to the Corporation for Services rendered every month, based upon the Base Fee. Where applicable, the invoice shall include GST in respect of the Services, the GST number of the Consultant and a detailed summary of the expenses incurred, together with any supporting receipts and other invoices. The Corporation shall pay the amount of the invoice within ten (10) days of its receipt of an invoice from the Consultant in accordance with the terms of this Agreement.

5.3 The Consultant expressly acknowledges that as an independent contractor, it is not entitled to receive from the Corporation any form of remuneration or benefits whatsoever other than as expressly set out in this Article V. The Company is not obligated nor shall it make any deductions or withholdings from the Remuneration paid to the Consultant under this Agreement and the Consultant further acknowledges that it is solely responsible for remitting all applicable payments under the *Income Tax Act*, the *Employment Insurance Act*, the *Canada Pension Plan Act*, the *Excise Tax Act* and the *Workers' Compensation Act* as required by law.

5.4 The Consultant shall upon request provide the Corporation proof of remittances to the appropriate government agencies for Employment Insurance contributions, Canada Pension Plan contributions and income tax deductions.

## **ARTICLE VI** **TERMINATION**

6.1 In the event that the Consultant or the Principal commits a material breach of any term or provision of this Agreement, and in the event that the Consultant fails to cure the breach within fifteen (15) days of receiving written notice, the Corporation may terminate this Agreement immediately without notice.

6.2 The Corporation may terminate this Agreement, without cause, at any time on six (6) months' prior written notice to the Corporation, in which case the Consultant shall only be entitled to receive any Remuneration owing to it up to and including the Termination Date.

6.3 The Consultant may terminate this Agreement at any time on six (6) months' prior written notice, in which case the Consultant shall only be entitled to receive any Remuneration owing to it up to and including the Termination Date.

6.4 The Consultant acknowledges and agrees that pursuant to the terms of this Agreement, it will acquire Corporation Property which is and shall remain the sole and exclusive property of the Corporation. Upon termination of this Agreement for any reason, the Consultant shall return to the Corporation all Corporation Property, together with any copies or reproductions thereof, which may have come into the Consultant's possession during the course of or pursuant to this Agreement, and shall delete or destroy all computer files on its computers and computer systems that may contain any Confidential Information belonging to the Corporation, or its Related Corporations.

## **ARTICLE VII** **INDEMNIFICATION**

7.1 In the event that the Canada Revenue Agency, Human Resources and Skills Development Canada, Service Canada, the Workers' Compensation Board of Alberta or other applicable government agency, for whatever reason, seeks payment from the Corporation or any director, officer or employee of the Corporation, of any Taxes, benefits, premiums or other amounts arising from the Remuneration paid to the Consultant, the Consultant and the Consultant's Principal, jointly and severally, shall indemnify the Corporation and any of its directors, officers and employees, for the amount of any such Taxes, benefits, premiums or other amounts (including any interest and penalties).

7.2 The Consultant further agrees that the Corporation may set off an amount equal to amounts described in Section 7.1 which have been claimed against or paid by the Corporation from any Remuneration owing to the Consultant.

## **ARTICLE VIII** **NON-COMPETITION, NON-SOLICITATION AND** **CONFIDENTIAL INFORMATION**

8.1 In this Article VIII,

(a) **"Business"** means:

- (i) the mobile rock and gravel crushing business that has been carried on by the Corporation (and by PetroWest Civil Services LP under the name "RBee Crushing" prior to the acquisition by the Corporation of all assets of PetroWest Civil Services LP used in such business) and that will, after the Effective Date, be carried on by the Corporation; and
- (ii) any other business from time to time carried on by the Corporation;

(b) **"Competing Business"** means any business, enterprise, proprietorship, venture, or undertaking of any kind engaged in any business which is similar to, or which competes with, the Business;

- (c) "**Customer**" or "**Client**" means any person or entity who was a customer or client of the Corporation or Petrowest Civil Services LP at any time during the twelve (12) month period prior to the Termination Date; and
- (d) "**Territory**" means all territory within the Provinces of British Columbia, Alberta, and Saskatchewan.

8.2 The Consultant acknowledges and agrees that in performing the Services under this Agreement, it will occupy a position of trust and confidence with the Corporation, pursuant to which it will develop and acquire wide experience and knowledge with respect to all aspects of the business carried on by the Corporation and its Related Corporations, and the manner in which such business is conducted. It is the express intent and agreement of the Consultant and the Corporation that such knowledge and experience shall be used solely and exclusively in furtherance of the business interests of the Corporation and its Related Corporations, and not in any manner detrimental to them. Accordingly, the Consultant therefore agrees that neither it nor any employee or agent of the Consultant (including, without limitation, the Principal) shall, at any time while the Consultant remains a consultant of the Corporation and for twenty-four (24) months following the Termination Date, either alone or in Corporation or in conjunction with any person, firm, company, corporation, Corporation, trust, syndicate, unincorporated association, governmental body or any other entity or group, whether as principal, agent, employee, director, officer, shareholder, consultant or in any capacity or manner whatsoever, either directly or indirectly:

- (a) carry on, promote, sponsor, participate in, be employed by, be engaged in, be connected with, assist with, or advise, invest in or give financial assistance to, any Competing Business operating within the Territory; provided however that such restriction shall not apply to any holding of securities of a Competing Business which is listed on a recognized stock exchange that does not exceed, in the aggregate, five percent (5%) of the outstanding securities of such entity, and provided that there is no involvement of the Consultant or Principal in any way with respect to such entity other than as a shareholder;
- (b) solicit or accept business from any Customer or Client if the subject matter of such solicitation or acceptance is for, or in connection with, or on behalf of any Competing Business;
- (c) solicit, induce or attempt to influence, directly or indirectly, an employee or contractor of the Corporation or its affiliates to leave their employment or engagement with the Corporation or that of any of its affiliates and the Consultant shall not recruit, employ, or carry on business with, directly or indirectly, an employee or contractor of the Corporation (or any of its affiliates) that has left the engagement of the Corporation (or that of any of its affiliates) until at least six (6) months has lapsed since such employee or contractor left such engagement unless such employee or contractor has responded to an employment or similar notice or advertisement that has been made available to members of the public generally including, without limitation, notices or advertisements placed in newspapers,

online job postings, trade publications or through third party recruitment or job placement services; or

- (d) solicit any Customer or Client if the purpose of that solicitation is to induce that Customer or Client to reduce its level of business with the Corporation or that of any of its affiliates or to encourage that Customer or Client to start doing business or to increase its level of business with any other person or entity when such a change may negatively affect the opportunity of the Corporation (or that of any of its affiliates) to maintain or increase their level of business with that Customer or Client.

8.3 The Consultant further acknowledges and agrees that in performing the Services under this Agreement, it will become knowledgeable with respect to a wide variety of Confidential Information which is the sole and exclusive property of the Corporation and its Related Corporations, the disclosure or misuse of which would cause irreparable harm to the Corporation and its Related Corporations. The Consultant therefore agrees that during the Term, and following termination of the Agreement for any reason, it and any employee or agent of the Consultant including, without limitation, the Principal, shall treat confidentially all Confidential Information belonging to the Corporation or its Related Corporations, and shall not use or disclose the Confidential Information to any unauthorized Persons, except with the prior written consent of the Corporation, or otherwise as and to the extent required by law.

8.4 The Consultant acknowledges and agrees that the Corporation will suffer irreparable harm in the event that the Consultant breaches any of its obligations under this Article VIII, and that monetary damages would be impossible to quantify and inadequate to compensate the Corporation for such a breach. Accordingly, the Consultant agrees that in the event of a breach or a threatened breach by the Consultant of any of the provisions of this Article VIII, the Corporation shall be entitled to obtain, in addition to any other rights, remedies or damages available to the Corporation at law or in equity, an interim and permanent injunction, without having to prove damages, in order to prevent or restrain any such breach or threatened breach by the Consultant, or by any or all of the Consultant's directors, officers, employees, consultants, servants, agents, representatives and any other Persons directly or indirectly acting for, or on behalf of, or with the Consultant including, without limitation, the Principal, and that the Corporation shall be entitled to all of its costs and expenses incurred in obtaining such relief, including reasonable solicitor and client legal costs and disbursements, and that the Corporation shall be entitled to set off against any damages or potential damages suffered by the Corporation any amounts owing to the Consultant under the terms of this Agreement.

8.5 The Consultant hereby agrees that all restrictions contained in this Article VIII are reasonable and valid, and that enforcement of the restrictions set out herein shall not prevent the Consultant from carrying on business, and hereby waives any and all defenses to the strict enforcement thereof by the Corporation by any lawful means, including injunctive relief. If any covenant or provision of this Article VIII is determined to be void or unenforceable in whole or in part, for any reason, it shall be deemed not to affect or impair the validity of any other covenant or provision of this Agreement, which shall remain in full force and effect.

**ARTICLE IX**  
**NOTICES**

9.1 Any Notice required to be given hereunder shall be in writing may be delivered personally, by registered mail or by confirmed facsimile transmission or other means of recorded electronic communications to the Parties hereto at the following addresses:

To the Corporation:

RBee Aggregate Consulting Ltd.  
c/o Crown Capital Partners Inc.  
77 King Street West, Suite 4330  
Toronto, ON M5K 1H6

Attention: Chief Investment Officer  
Email: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

To the Consultant:

A1 QUALITY BELTING LTD.  
E-mail: [bernica1belting@gmail.com](mailto:bernica1belting@gmail.com)

Attention: Mr. Bernie Reed

Any Notice, direction or other instrument shall, if delivered personally or sent by electronic communication or facsimile, be deemed to have been given and received on the business day on which it was so delivered or sent, and if not a business day, then on the next business day, and, if sent by registered mail, shall be deemed to have been given and received on the third day following the day on which it was so mailed.

9.2 Either Party may change its address for Notice in the aforesaid manner.

**ARTICLE X**  
**GENERAL**

10.1 The Consultant shall require the Principal to execute an Expert Agreement substantially in the form attached hereto as Schedule "B", whereby the Principal agrees to be bound by, and to comply with, the terms of Articles IV, VII, VIII and X of this Agreement, with the same force and effect as if the Principal was a signatory to this Agreement.

10.2 This Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the Parties hereby attorn to the sole jurisdiction of the Alberta courts for any dispute, action, cause or action or any other matters arising under this Agreement.

10.3 This Agreement and the Schedules herein constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces any and all prior agreements, undertakings, representations or negotiations pertaining to the subject matter of this

Agreement. The Parties agree that they have not relied upon any verbal statements, representations, warranties or undertakings in order to enter into this Agreement.

10.4 This Agreement may not be amended or modified in any way except by written instrument signed by the Parties hereto.

10.5 This Agreement shall enure to the benefit of and be binding upon the Parties hereto, together with their successors and permitted assigns. In the event of the termination of this Agreement for any reason, Article VII, VIII and X shall continue in full force and effect.

10.6 This Agreement may not be assigned by either Party without the prior written consent of the other Party.

10.7 The waiver by either Party of any breach of the provisions of this Agreement shall not operate or be construed as a waiver by that Party of any other breach of the same or any other provision of this Agreement.

10.8 The Parties agree to execute and deliver such further and other documents, and perform or cause to be performed such further and other reasonable acts and things as may be necessary or desirable in order to give full force and effect to this Agreement.


10.9 Should any provision in this Agreement be found to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of the Agreement shall not be affected or impaired thereby in any way.

10.10 This Agreement may be executed in any number of counterparts, may be delivered originally, by facsimile or portable document format and each of which when so executed and delivered shall be deemed to be an original, and all of which taken together shall constitute one and the same instrument.

**[signature page follows]**

**IN WITNESS WHEREOF** the Parties hereto acknowledge and agree that they have read and understand the terms of this Agreement, and that they have had an opportunity to seek independent legal advice prior to entering into this Agreement, and that they have executed this Agreement with full force and effect from the date first written above.

**RBEE AGGREGATE CONSULTING LTD.**

Per:   
Name: Tim Oldfield  
Title: Director

**A 1 QUALITY BELTING LTD.**

Per: \_\_\_\_\_  
Name: Bernie Reed  
Title: President

**SCHEDULE "A"**  
**SERVICES**

The following is a description of the services that the Consultant agrees to provide to the Corporation during the Term:

The Consultant shall provide the Principal to serve as the "President" of the Corporation and perform the duties and responsibilities typically and customarily performed by a person holding the position of "President" (or an equivalent position) within an organization carrying on business of the nature carried on by the Corporation, together with such other duties and responsibilities as may be assigned to the Consultant from time to time by the Corporation. The Consultant shall report to the Board of Directors of the Corporation.

**SCHEDULE "B"**  
**EXPERT AGREEMENT**

THIS AGREEMENT is made the ● day of ●, 2017.

BETWEEN:

**RBEE AGGREGATE CONSULTING LTD.**, a corporation  
carrying on business in the Province of Alberta (hereinafter called  
the "**Corporation**")

- and -

**[●]**, a corporation carrying on business in the Province of Alberta  
(hereinafter called the "**Consultant**")

- and -

**BERNIE REED**, an individual residing in the Province of Alberta  
(hereinafter called the "**Principal**")

**WHEREAS** the Corporation and the Consultant have entered into a Consulting Agreement dated the date hereof (the "**Consulting Agreement**");

**AND WHEREAS** pursuant to the Consulting Agreement, the Principal, as an employee or agent of the Consultant, shall provide services to the Consultant in order that the Consultant can fulfill its obligations to provide services under the Consulting Agreement;

**AND WHEREAS** the Consulting Agreement requires the Principal to enter into an agreement in a form acceptable to the Corporation;

**NOW THEREFORE** the parties hereto agree to express the terms and conditions of their agreement in this Expert Agreement as follows:

1. The Principal acknowledges and agrees that he has read and fully understands the terms and conditions of the Consulting Agreement to which this Expert Agreement is attached as Schedule "B".
2. The Principal acknowledges and agrees that within the Consulting Agreement, the Consultant has certain obligations that it must impose on the Principal. The Principal agrees to fully comply with the obligations required to be imposed on him by the Consultant in the Consulting Agreement.
3. The Principal covenants and agrees that he shall be subject to and comply with the terms of Articles IV, VI, VII, VIII and X of the Consulting Agreement, and that some of those terms will survive the Term of the Consulting Agreement and in those respects, will continue to bind the Principal after the Term of the Consulting Agreement.

4. The Principal acknowledges and agrees that this Expert Agreement shall be construed and enforced by the laws of the Province of Alberta and the federal laws of Canada applicable therein, and hereby attorns to the sole jurisdiction of the Alberta courts for a determination of matters arising under this Expert Agreement.

**IN WITNESS WHEREOF** this Expert Agreement has been executed by the parties hereto, and is effective as of the date first above written.

**RBEE AGGREGATE CONSULTING  
LTD.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[•]

Per: \_\_\_\_\_

Name: Bernie Reed

Title: President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
**BERNIE REED**

## Karla Beck

**From:** Johnson, Jeff J. <JJJohnson@bdo.ca>  
**Sent:** February 28, 2024 1:08 PM  
**To:** Russ Rimer  
**Cc:** Berniea1belting@gmail.com; David Howells  
**Subject:** \$800,000 Loan

**EXTERNAL:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Russ,

Here is the run down of the \$800,000 loan.

A1 Quality Belting put \$200K in on Feb 25, 2021 and \$100K in on Feb 26, 2021 to cover a shortage at the CWB for the line of credit because we needed some cash flow to fund the payables that we had over the winter.

Sometime in June 2021 CWB called and said that we were offside on our Margin account and the shareholder's needed to put in a \$1M to get it back on side. It was agreed to with Tim Oldfield and Bernie Reed that each of the shareholders would put in another \$500,000 to get the LOC back onside with CWB. Both sides agreed that this was a short-term loan with interest that was to be repaid as soon as our margin reporting was done for July 2021 as we would then have enough cash on the LOC to repay both parties. It was also noted at the time that A1 had put an additional \$300K into the company in February and this money would be repaid with the additional \$500K. Tim agreed with this and we proceeded to move forward with the plan.

We completed margin reporting in August of 2021 and filed it with the CWB to increase our LOC. Once approved the \$800K to A1 and the \$500K to Crown was repaid as agreed to by all parties.

Feb 26, 2021	Rbee Aggregate			100,000.00		15
Feb 25, 2021	Rbee Aggregate			200,000.00		35
Feb 25, 2021	Ritchie Bros. Auctioneers (Canada) Ltd.		AJE 42	103,493.39		46
Mar 31, 2021	Carson International	0604612531-01	J13995		6,085.52	45
Jul 26, 2021				510,000.00		96
Aug 20, 2021					800,000.00	16
Sep 30, 2021		AJE 26			45,100.00	11

We can chat about it today.

Jeff

Jeff Johnson, CPA, CA  
Partner  
BDO Canada LLP  
Tel: 250 832 7171  
[jjjohnson@bdo.ca](mailto:jjjohnson@bdo.ca)

[www.bdo.ca](http://www.bdo.ca)

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BDO is proud to be among Canada's Top 100 Employers  
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PO Box 65

Wembley AB T0H 3S0

### Your ATB Financial Branch

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9907 106A St

Grande Prairie AB

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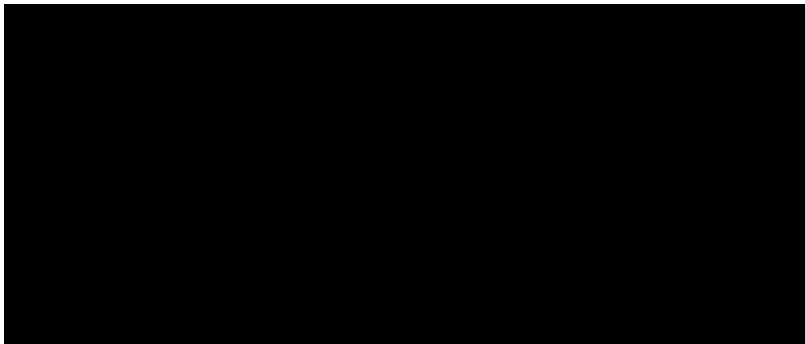
## A summary of your accounts on Feb 28, 2021

### Deposits

### Value on Feb 28, 2021

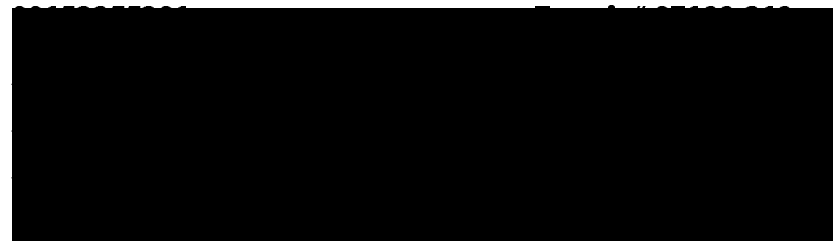
USD

CAD



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## A summary of Deposit Account Unlimited Business Banking




Details of your account transactions

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Jan 31				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 1				
Feb 2				
Feb 2				
Feb 3				
Feb 4				
Feb 4				
Feb 5				
Feb 5				
Feb 5				
Feb 5				
Feb 5				
Feb 8				
Feb 8				
Feb 8				

### Details of your account transactions (continued)

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Feb 8				
Feb 8				
Feb 8				
Feb 8				
Feb 10				
Feb 10				
Feb 12				
Feb 12				
Feb 12				
Feb 15				
Feb 15				
Feb 16				
Feb 16				
Feb 16				
Feb 16				
Feb 16				
Feb 17				
Feb 17				
Feb 17				
Feb 17				
Feb 18				
Feb 18				
Feb 18				
Feb 18				
Feb 18				
Feb 18				
Feb 19				
Feb 19				
Feb 19				
Feb 22				

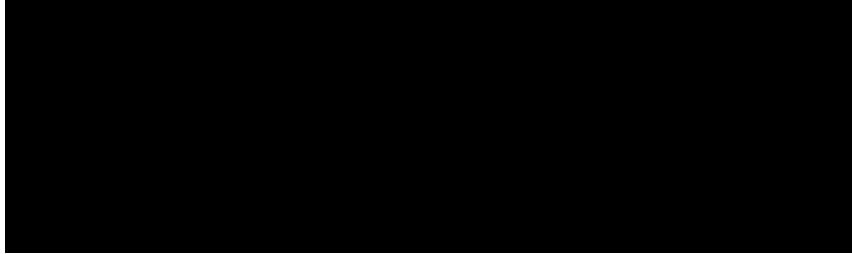


ATB0114001\_2587304\_003 - 0012925 HRI - 04 - 04 - 03 - 29 - - - 020357

Details of your account transactions (continued)

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Feb 22				
Feb 22				
Feb 22				
Feb 22				
Feb 22				
Feb 22				
Feb 22				
Feb 23				
Feb 24				
Feb 24				
Feb 24				
Feb 24				
Feb 25				
Feb 25				
Feb 25	EFT Settlement		\$200,000.00	
Feb 25	EFT Settlement	\$200,000.00		
Feb 25				
Feb 26	One Off Disbursement 000138940566	\$100,000.00		
Feb 26				
Feb 26				
Feb 28				
Feb 28				
Feb 28				
Feb 28				
Feb 28				
Feb 28				

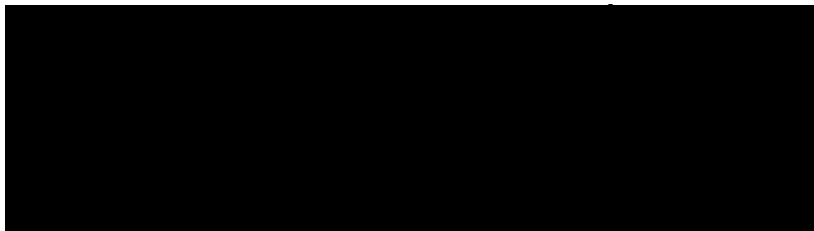
### A summary of Deposit Account T-Bill Savings Account



#### Details of your account transactions

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Jan 31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Feb 8				
Feb 28				
Feb 28				

### A summary of Deposit Account US Savings Account



#### Details of your account transactions

Date	Description	Debits to your account (\$) USD	Credits to your account (\$) USD	Balance (\$) USD
Jan 31	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Feb 8				
Feb 8				
Feb 18				
Feb 18				
Feb 19				



Details of your account transactions (continued)

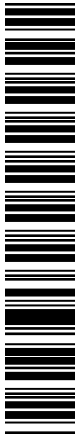
Date	Description	Debits to your account (\$) USD	Credits to your account (\$) USD	Balance (\$) USD
Feb 19				
Feb 22				
Feb 22				
Feb 22				
Feb 23				
Feb 23				
Feb 25				
Feb 28				
Feb 28				

A summary of your Term/GIC Investments

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Your Term/GIC Investments

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ATB0114001\_2587304\_003 - 0012925 HRI - 04 - 04 - 01 - 27 - - 020361



ATB0114001\_6473389\_003 E D 07199 03079

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## A summary of your accounts on Aug 31, 2021

### Deposits

### Value on Aug 31, 2021

USD	CAD
[REDACTED]	

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## A summary of Deposit Account Unlimited Business Banking

[REDACTED]	
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Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Jul 31				
Aug 1				
Aug 1				
Aug 2				
Aug 2				
Aug 2				
Aug 2				
Aug 2				
Aug 2				
Aug 2				
Aug 2				
Aug 2				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 3				
Aug 4				
Aug 5				
Aug 5				
Aug 5				
Aug 5				

### Details of your account transactions (continued)

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Aug 6				
Aug 9				
Aug 9				
Aug 9				
Aug 9				
Aug 9				
Aug 9				
Aug 9				
Aug 10				
Aug 12				
Aug 13				
Aug 13				
Aug 13				
Aug 15				
Aug 16				
Aug 16				
Aug 17				
Aug 17				
Aug 17				
Aug 18				
Aug 18				
Aug 18				
Aug 18				
Aug 19				
Aug 20				
Aug 20				
Aug 20				
Aug 20	Deposit Cheque		\$803,497.31	[REDACTED]



ATB0114001\_6473388\_003 - 0013079 HRI - 02 - 04 - 03 - 21 - - 022101

Details of your account transactions (continued)

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Aug 20				
Aug 23				
Aug 23				
Aug 23				
Aug 23				
Aug 23				
Aug 23				
Aug 24				
Aug 25				
Aug 25				
Aug 25				
Aug 25				
Aug 25				
Aug 25				
Aug 25				
Aug 25				
Aug 26				
Aug 26				
Aug 26				
Aug 26				
Aug 28				
Aug 30				
Aug 30				
Aug 30				
Aug 30				
Aug 31				
Aug 31				
Aug 31				
Aug 31				
Aug 31				

ATB0114001\_6473389\_003 - 0013079 022102

**Details of your account transactions** (continued)

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Aug 31	[REDACTED]			
Aug 31				
Aug 31				

**A summary of Deposit Account**  
**T-Bill Savings Account**

[REDACTED]				
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**Details of your account transactions**

Date	Description	Debits to your account (\$)	Credits to your account (\$)	Balance (\$)
Jul 31	[REDACTED]			
Aug 31				
Aug 31				

**A summary of Deposit Account**  
**US Savings Account**

[REDACTED]				
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Details of your account transactions

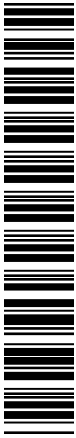
Date	Description	Debits to your account (\$) USD	Credits to your account (\$) USD	Balance (\$) USD
Jul 31				
Aug 6				
Aug 6				
Aug 23				
Aug 23				
Aug 31				
Aug 31				

A summary of your Term/GIC Investments

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Your Term/GIC Investments

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## Karla Beck

**From:** MacKinnon, Jessica <Jessica.MacKinnon@blakes.com>  
**Sent:** March 20, 2024 5:17 PM  
**To:** Russ Rimer  
**Cc:** Keliher, Christopher  
**Subject:** FW: CWB Bank Statement - cheque on page 10  
**Attachments:** CWB bank statement August 31 2021.pdf

**EXTERNAL:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Russ,

Please see below cheque reference reflecting the \$800,000 payment to Bernie.

<b>2021-08-25</b>	<b>Chq#:3967</b>	<b>\$800,00</b>
THIS CHEQUE CONTAINS AN INKIMPLANT AND SECURITY FEATURES		
 <b>RRee Aggregate Consulting Ltd.</b> BOX 1110 GIBBONS, AB T0A 1N0	 <b>CANADIAN WESTERN BANK</b> SUITE 100, 12230 JASPER AVENUE NW EDMONTON, AB T5N 3K3	<b>3</b>
<b>PAY</b> <b>**Eight Hundred Thousand and 00/100</b>		<b>CHEQUE NO.</b> 3967
		<b>DATE</b> 1 8 0 8 2 0 2 1 D D M M Y Y Y Y
		<b>\$**800,000.00</b>
<b>TO THE ORDER OF</b> <b>Bernie Reed</b> <b>46 Cranberry Band</b> <b>Ft. Sask, AB T8L 0H2</b>		<b>RREE AGGREGATE CONSULTING LT</b>  <b>PER</b>  <b>FOR</b>
⑈003967⑈ ⑆03029⑈030⑆ 101008623679⑈		

Kind regards,

**Jessica MacKinnon** (she, her, hers)  
Associate  
[jessica.mackinnon@blakes.com](mailto:jessica.mackinnon@blakes.com)  
T. +1-403-260-9657  
C. +1-403-969-8484

Blake, Cassels & Graydon LLP  
855 - 2 St. S.W., Suite 3500, Calgary AB T2P 4J8 ([Map](#))  
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## Statement of Accounts

RBEE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS AB  
T0A 1N0

7401503

Edmonton Main  
Suite 100, 12230 Jasper Avenue NW  
Edmonton AB T5N 3K3  
Phone: 780.424.4846  
edmontonmain@cwbank.com

**Customer No.:** 646686  
**No. of cheque images:** 25  
**Statement date:** 31AUG2021

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## Account(s)

### Cash Management Account Large 101008623679

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
AUG 01	Balance Forward			0.00
AUG 01	PreAuthorized Debit KOMATSU INTL CA	21,589.97-		21,589.97-
AUG 01	PreAuthorized Debit KOMATSU INTL CA	21,589.97-		43,179.94-
AUG 01	Coverdraft Transfer In From Account 101008831816		43,179.94	0.00
AUG 04	Bill Payment Fee	1.50-		1.50-
AUG 04	Bill Payment ALBERTA MAINTENANCE ENFORCEMNT Acct. No:1356799	1,344.00-		1,345.50-
AUG 04	Bill Payment Fee	1.50-		1,347.00-
AUG 04	Bill Payment CRA PAYROLL CURRENT YEAR Acct. No:788842680RP0001	167,158.06-		168,505.06-
AUG 04	PreAuthorized Credit N.P.A. LTD		265,656.52	97,151.46
AUG 04	PreAuthorized Debit Suncor 6058525	17,186.53-		79,964.93
AUG 04	PreAuthorized Debit SEPP SUPERPASS	8,166.10-		71,798.83
AUG 04	Coverdraft Transfer Out To Account 101008831816	71,798.83-		0.00
AUG 04	CAFT Debit	16,000.00-		16,000.00-

(Continued)

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
AUG 04	Coverdraft Transfer In From Account 101008831816		16,000.00	0.00
AUG 06	Debit Arrangement Loan Repayment To Account:101009446247	59,656.83-		59,656.83-
AUG 06	Coverdraft Transfer In From Account 101008831816		59,656.83	0.00
AUG 06	Cheque Deposit		21,787.50	21,787.50
AUG 06	PreAuthorized Debit FEDERATED COOP	7,426.11-		14,361.39
AUG 06	PreAuthorized Debit Suncor 6058525	18,391.86-		4,030.47-
AUG 06	Coverdraft Transfer In From Account 101008831816		4,030.47	0.00
AUG 06	CAFT Debit	46,206.88-		46,206.88-
AUG 06	CAFT Debit	255,743.85-		301,950.73-
AUG 06	Coverdraft Transfer In From Account 101008831816		301,950.73	0.00
AUG 08	Debit Arrangement Loan Repayment To Account:101012560398	51,940.37-		51,940.37-
AUG 08	Coverdraft Transfer In From Account 101008831816		51,940.37	0.00
AUG 09	Debit Arrangement Loan Repayment To Account:101008828769	243,983.12-		243,983.12-
AUG 09	Debit Arrangement Loan Repayment To Account:101011669035	9,732.34-		253,715.46-
AUG 09	Coverdraft Transfer In From Account 101008831816		253,715.46	0.00
AUG 09	Cheque Deposit		51,442.65	51,442.65
AUG 09	PreAuthorized Credit SMS Equipment		3,780.00	55,222.65
AUG 09	PreAuthorized Debit Suncor 6058525	64,851.98-		9,629.33-
AUG 09	PreAuthorized Debit NORTHBRIDGE	21,371.64-		31,000.97-
AUG 09	PreAuthorized Debit NORTHBRIDGE	18,491.33-		49,492.30-
AUG 09	Coverdraft Transfer In From Account 101008831816		49,492.30	0.00
AUG 09	CAFT Debit	10,403.89-		10,403.89-
AUG 09	Coverdraft Transfer In From Account 101008831816		10,403.89	0.00
AUG 10	Debit Arrangement Loan Repayment To Account:101011203222	37,285.52-		37,285.52-
AUG 10	Coverdraft Transfer In From Account 101008831816		37,285.52	0.00
AUG 10	PreAuthorized Debit Suncor 6058525	16,510.70-		16,510.70-

(Continued)

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
AUG 10	Coverdraft Transfer In From Account 101008831816		16,510.70	0.00
AUG 11	Bill Payment Fee	1.50-		1.50-
AUG 11	Bill Payment CRA PAYROLL CURRENT YEAR Acct. No:788842680RP0001	18,215.12-		18,216.62-
AUG 11	Cheque Deposit		2,201,238.06	2,183,021.44
AUG 11	PreAuthorized Debit SEPP SUPERPASS	8,696.56-		2,174,324.88
AUG 11	PreAuthorized Debit Suncor 6058525	14,874.70-		2,159,450.18
AUG 11	Coverdraft Transfer Out To Account 101008831816	958,212.12-		1,201,238.06
AUG 12	PreAuthorized Credit SG EDMONTON		1,036,222.87	2,237,460.93
AUG 12	PreAuthorized Debit Suncor 6058525	16,628.37-		2,220,832.56
AUG 12	Coverdraft Transfer Out To Account 101008831816	1,019,594.50-		1,201,238.06
AUG 12	CAFT Debit	301,238.79-		899,999.27
AUG 12	Cheque Cleared Cheque Number 3953	112,442.45-		787,556.82
AUG 12	Cheque Cleared Cheque Number 3952	82,522.15-		705,034.67
AUG 12	Coverdraft Transfer In From Account 101008831816		496,203.39	1,201,238.06
AUG 13	PreAuthorized Credit HRVLP		66,547.23	1,267,785.29
AUG 13	PreAuthorized Credit HRVLP		250,000.00	1,517,785.29
AUG 13	PreAuthorized Debit Suncor 6058525	51,691.34-		1,466,093.95
AUG 13	PreAuthorized Debit FEDERATED COOP	1,091.04-		1,465,002.91
AUG 13	Coverdraft Transfer Out To Account 101008831816	263,764.85-		1,201,238.06
AUG 13	CAFT Debit	372,207.67-		829,030.39
AUG 13	CAFT Debit	94,829.98-		734,200.41
AUG 13	Coverdraft Transfer In From Account 101008831816		467,037.65	1,201,238.06
AUG 16	PreAuthorized Debit EQUITABLE LIFE	12,560.89-		1,188,677.17
AUG 16	PreAuthorized Debit Suncor 6058525	61,377.42-		1,127,299.75
AUG 16	PreAuthorized Debit EQUITABLE LIFE	12,131.83-		1,115,167.92
AUG 16	PreAuthorized Debit PETRO-CANADA LU	55,608.30-		1,059,559.62
AUG 16	Coverdraft Transfer In From Account 101008831816		141,678.44	1,201,238.06
AUG 17	PreAuthorized Debit KOMATSU INTL CA	21,138.81-		1,180,099.25

(Continued)

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
AUG 17	Coverdraft Transfer In		21,138.81	1,201,238.06
	From Account 101008831816			
AUG 17	PreAuthorized Credit		85,618.67	1,286,856.73
	N.P.A. LTD			
AUG 17	PreAuthorized Debit	17,010.37-		1,269,846.36
	Suncor 6058525			
AUG 17	Coverdraft Transfer Out	68,608.30-		1,201,238.06
	To Account 101008831816			
AUG 18	Bill Payment Fee	1.50-		1,201,236.56
AUG 18	Bill Payment	1,142.40-		1,200,094.16
	ALBERTA MAINTENANCE ENFORCEMNT			
	Acct. No:1356799			
AUG 18	Bill Payment Fee	1.50-		1,200,092.66
AUG 18	Bill Payment	97,701.92-		1,102,390.74
	CRA PAYROLL CURRENT YEAR			
	Acct. No:788842680RP0001			
AUG 18	Cheque Deposit		38,771.25	1,141,161.99
AUG 18	PreAuthorized Debit	35,164.79-		1,105,997.20
	Suncor 6058525			
AUG 18	PreAuthorized Debit	13,267.90-		1,092,729.30
	SEPP SUPERPASS			
AUG 18	Coverdraft Transfer In		108,508.76	1,201,238.06
	From Account 101008831816			
AUG 18	Cheque Cleared	2,120.00-		1,199,118.06
	Cheque Number 3960			
AUG 18	Cheque Cleared	12,442.50-		1,186,675.56
	Cheque Number 3963			
AUG 18	Cheque Cleared	5,184.50-		1,181,491.06
	Cheque Number 3950			
AUG 18	Coverdraft Transfer In		19,747.00	1,201,238.06
	From Account 101008831816			
AUG 19	Debit Arrangement	60,458.44-		1,140,779.62
	Loan Repayment			
	To Account:101011697489			
AUG 19	Coverdraft Transfer In		60,458.44	1,201,238.06
	From Account 101008831816			
AUG 19	PreAuthorized Debit	42,891.27-		1,158,346.79
	Suncor 6058525			
AUG 19	Coverdraft Transfer In		27,159.67	1,185,506.46
	From Account 101008831816			
AUG 19	CAFT Debit	94,623.80-		1,090,882.66
AUG 19	Cheque Cleared	3,793.13-		1,087,089.53
	Cheque Number 3958			
AUG 19	Coverdraft Transfer Out	1,087,089.53-		0.00
	To Account 101008831816			
AUG 20	PreAuthorized Debit	16,727.06-		16,727.06-
	Suncor 6058525			
AUG 20	PreAuthorized Debit	7,541.95-		24,269.01-
	FEDERATED COOP			
AUG 20	PreAuthorized Debit	10,140.00-		34,409.01-
	WCB ALBERTA			
AUG 20	Coverdraft Transfer In		34,409.01	0.00

(Continued)

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
	From Account 101008831816			
AUG 20	CAFT Debit	41,983.82-		41,983.82-
AUG 20	CAFT Debit	305,190.84-		347,174.66-
AUG 20	Cheque Cleared	3,321.43-		350,496.09-
	Cheque Number 3945			
AUG 20	Cheque Cleared	3,003.18-		353,499.27-
	Cheque Number 3962			
AUG 20	Coverdraft Transfer In		353,499.27	0.00
	From Account 101008831816			
AUG 23	Debit Arrangement	29,523.59-		29,523.59-
	Loan Repayment			
	To Account:101011420487			
AUG 23	Coverdraft Transfer In		29,523.59	0.00
	From Account 101008831816			
AUG 23	PreAuthorized Debit	59,818.27-		59,818.27-
	Suncor 6058525			
AUG 23	Coverdraft Transfer In		59,818.27	0.00
	From Account 101008831816			
AUG 23	CAFT Debit	16,886.28-		16,886.28-
AUG 23	CAFT Debit	962.44-		17,848.72-
AUG 23	Cheque Cleared	1,453.70-		19,302.42-
	Cheque Number 3954			
AUG 23	Cheque Cleared	3,079.74-		22,382.16-
	Cheque Number 3955			
AUG 23	Coverdraft Transfer In		22,382.16	0.00
	From Account 101008831816			
AUG 24	CAFT Debit	53,446.96-		53,446.96-
AUG 24	Cheque Cleared	13,398.00-		66,844.96-
	Cheque Number 3956			
AUG 24	Cheque Cleared	800,000.00-		866,844.96-
	Cheque Number 3967			
AUG 24	Coverdraft Transfer In		866,844.96	0.00
	From Account 101008831816			
AUG 25	Debit Arrangement	118,992.84-		118,992.84-
	Loan Repayment			
	To Account:101011544402			
AUG 25	Coverdraft Transfer In		118,992.84	0.00
	From Account 101008831816			
AUG 25	Cheque Deposit		245,254.28	245,254.28
AUG 25	Bill Payment Fee	1.50-		245,252.78
AUG 25	Bill Payment	16,189.71-		229,063.07
	CRA PAYROLL CURRENT YEAR			
	Acct. No:788842680RP0001			
AUG 25	PreAuthorized Credit		35,964.99	265,028.06
	N.P.A. LTD			
AUG 25	PreAuthorized Debit	42,410.96-		222,617.10
	Suncor 6058525			
AUG 25	PreAuthorized Debit	9,823.75-		212,793.35
	SEPP SUPERPASS			
AUG 25	Coverdraft Transfer Out	212,793.35-		0.00
	To Account 101008831816			
AUG 25	Cheque Cleared	2,940.00-		2,940.00-

(Continued)

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
	Cheque Number 3975			
AUG 25	Cheque Cleared	1,141.80-		4,081.80-
	Cheque Number 3970			
AUG 25	Coverdraft Transfer In		4,081.80	0.00
	From Account 101008831816			
AUG 26	PreAuthorized Debit	3,027.68-		3,027.68-
	WS Leasing Ltd			
AUG 26	PreAuthorized Debit	2,435.51-		5,463.19-
	Suncor 6058525			
AUG 26	Coverdraft Transfer In		5,463.19	0.00
	From Account 101008831816			
AUG 27	PreAuthorized Credit		653,419.78	653,419.78
	MAINLINE			
AUG 27	Coverdraft Transfer Out	653,419.78-		0.00
	To Account 101008831816			
AUG 27	PreAuthorized Debit	13,648.64-		13,648.64-
	Suncor 6058525			
AUG 27	PreAuthorized Debit	8,774.97-		22,423.61-
	FEDERATED COOP			
AUG 27	Coverdraft Transfer In		22,423.61	0.00
	From Account 101008831816			
AUG 27	CAFT Debit	435,035.09-		435,035.09-
AUG 27	CAFT Debit	16,287.05-		451,322.14-
AUG 27	Cheque Cleared	1,978.08-		453,300.22-
	Cheque Number 3969			
AUG 27	Cheque Cleared	1,370.85-		454,671.07-
	Cheque Number 3957			
AUG 27	Cheque Cleared	10,000.00-		464,671.07-
	Cheque Number 333			
AUG 27	Coverdraft Transfer In		464,671.07	0.00
	From Account 101008831816			
AUG 28	PreAuthorized Debit	22,014.85-		22,014.85-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	16,523.05-		38,537.90-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	18,354.05-		56,891.95-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	21,001.28-		77,893.23-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	16,523.50-		94,416.73-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	16,163.90-		110,580.63-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	7,527.74-		118,108.37-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	16,525.46-		134,633.83-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	16,163.90-		150,797.73-
	KOMATSU INTL CA			
AUG 28	PreAuthorized Debit	7,527.74-		158,325.47-
	KOMATSU INTL CA			
AUG 28	Coverdraft Transfer In		158,325.47	0.00

(Continued)

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
	From Account 101008831816			
AUG 30	PreAuthorized Debit	62,940.06-		62,940.06-
	Suncor 6058525			
AUG 30	Coverdraft Transfer In		62,940.06	0.00
	From Account 101008831816			
AUG 30	CAFT Debit	32,030.01-		32,030.01-
AUG 30	Cheque Cleared	2,316.30-		34,346.31-
	Cheque Number 3961			
AUG 30	Cheque Cleared	34,559.63-		68,905.94-
	Cheque Number 3982			
AUG 30	Cheque Cleared	23,100.00-		92,005.94-
	Cheque Number 3968			
AUG 30	Coverdraft Transfer In		92,005.94	0.00
	From Account 101008831816			
AUG 31	CAFT Fee Items Processed	14.64-		14.64-
AUG 31	CAFT Fee Items Processed	51.60-		66.24-
AUG 31	Coverdraft Transfer In		66.24	0.00
	From Account 101008831816			
AUG 31	Bill Payment Fee	1.50-		1.50-
AUG 31	Bill Payment	158,403.22-		158,404.72-
	CRA GST/HST34 FILING&REMITTANC			
	Acct. No:788842680RT0001			
AUG 31	PreAuthorized Credit		419,787.38	261,382.66
	CARMACKS ENTERP			
AUG 31	PreAuthorized Debit	21,618.89-		239,763.77
	Suncor 6058525			
AUG 31	Coverdraft Transfer Out	239,763.77-		0.00
	To Account 101008831816			
AUG 31	Coverdraft Transfer In		2.25	2.25
	From Account 101008831816			
AUG 31	Coverdraft Transfer In		26.73	28.98
	From Account 101008831816			
AUG 31	Cheque Cleared	1,886.34-		1,857.36-
	Cheque Number 3976			
AUG 31	Cheque Cleared	18,441.75-		20,299.11-
	Cheque Number 3966			
AUG 31	Cheque Cleared	1,875.00-		22,174.11-
	Cheque Number 3959			
AUG 31	Cheque Cleared	502.29-		22,676.40-
	Cheque Number 3974			
AUG 31	Cheque Cleared	35,000.00-		57,676.40-
	Cheque Number 3983			
AUG 31	Coverdraft Transfer In		57,705.38	28.98
	From Account 101008831816			
AUG 31	Interest Capitalize CR		48.27	77.25
AUG 31	Monthly Flat Fee	75.00-		2.25
AUG 31	Monthly Transaction Charge	6.50-		4.25-
AUG 31	Coverdraft Transfer In		4.25	0.00
	From Account 101008831816			
<b>TOTAL:</b>		<b>9,914,823.91-</b>	<b>9,914,823.91</b>	



Page: 8 of 16

Customer No.: 646686

Statement date: 31AUG2021

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### Business Savings Account 101008623792

Date	Description	Withdrawals(\$)	Deposits(\$)	Balance(\$)
AUG 01	Balance Forward			26.51
	TOTAL:	0.00	0.00	

2021-08-13 Chq#:3953 \$112,442.45

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3953  
DATE 1 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*One Hundred Twelve Thousand Four Hundred Forty Two and 45/100 \$\*\*112,442.45

TO THE ORDER OF Bernie Reed 48 Cranberry Bend Ft. Sask, AB T8L 0H2

RREE AGGREGATE CONSULTING LTD.

100395300103029003001010086236799

2021-08-13 Chq#:3952 \$82,522.15

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3952  
DATE 1 1 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Eighty Two Thousand Five Hundred Twenty Two and 15/100 \$\*\*82,522.15

TO THE ORDER OF Bernie Reed 48 Cranberry Bend Ft. Sask, AB T8L 0H2

RREE AGGREGATE CONSULTING LTD.

100395200103029003001010086236799

2021-08-19 Chq#:3960 \$2,120.00

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3960  
DATE 1 3 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Two Thousand One Hundred Twenty and 00/100 \$\*\*2,120.00

TO THE ORDER OF Dino's Potable Water Service Ltd. PO Box 209 Wembley, AB T6H 3S0

RREE AGGREGATE CONSULTING LTD.

100396000103029003001010086236799

2021-08-19 Chq#:3963 \$12,442.50

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3963  
DATE 1 7 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Twelve Thousand Four Hundred Forty Two and 50/100 \$\*\*12,442.50

TO THE ORDER OF 2153081 Alberta Ltd. JD Heavy Haul #37, 56420 Rge Rd. 231 Surgeon County, AB T0A 1N4

RREE AGGREGATE CONSULTING LTD.

100396300103029003001010086236799

2021-08-19 Chq#:3950 \$5,184.50

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3950  
DATE 0 6 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Five Thousand One Hundred Eighty Four and 50/100 \$\*\*5,184.50

TO THE ORDER OF A-1 Portables & A-1 Waste - Div. of 116572 4403 - 49 Ave Camrose, AB T4V0H6

RREE AGGREGATE CONSULTING LTD.

100395000103029003001010086236799

2021-08-20 Chq#:3958 \$3,793.13

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3958  
DATE 1 3 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Three Thousand Seven Hundred Ninety Three and 13/100 \$\*\*3,793.13

TO THE ORDER OF Whitecourt Transportation Inc 3710 33 Street Whitecourt, AB T7S 0A2

RREE AGGREGATE CONSULTING LTD.

100395800103029003001010086236799

2021-08-21 Chq#:3945 \$3,321.43

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3945  
DATE 3 0 0 7 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Three Thousand Three Hundred Twenty One and 43/100 \$\*\*3,321.43

TO THE ORDER OF Adamson, Randy PO Box 201 Tomahawk, AB T0E 2H0

RREE AGGREGATE CONSULTING LTD.

100394500103029003001010086236799

2021-08-21 Chq#:3962 \$3,003.18

THIS CHEQUE CONTAINS A MICR LINE AND SECURITY FEATURES

RRee Aggregate BOX 1110 Consulting Ltd. GIBBONS, AB T0A 1N0

CHEQUE NO. 3962  
DATE 1 3 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Three Thousand Three and 18/100 \$\*\*3,003.18

TO THE ORDER OF Adamson, Randy PO Box 201 Tomahawk, AB T0E 2H0

RREE AGGREGATE CONSULTING LTD.

100396200103029003001010086236799

2021-08-24 Chq#:3954 \$1,453.70

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3954  
DATE 1 2 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*One Thousand Four Hundred Fifty Three and 70/100 \$\*\*1,453.70

TO THE ORDER OF Greenalade Disposal Ltd  
PO Box 343  
Hanna AB T0J 1P0

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003954⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-24 Chq#:3955 \$3,079.74

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3955  
DATE 1 3 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Three Thousand Seventy Nine and 74/100 \$\*\*3,079.74

TO THE ORDER OF Honey Bucket Inc.  
PO Box 328  
Grande Prairie, AB T8V 3A5

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003955⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-25 Chq#:3956 \$13,398.00

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3956  
DATE 1 3 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Thirteen Thousand Three Hundred Ninety Eight and 00/100 \$\*\*13,398.00

TO THE ORDER OF Flatland Industries Ltd.  
PO Box 112, RPO Chestersmore  
Chestersmore, AB T1X 1K8

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003956⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-25 Chq#:3967 \$800,000.00

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3967  
DATE 1 8 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Eight Hundred Thousand and 00/100 \$\*\*800,000.00

TO THE ORDER OF Bernie Reed  
46 Cranberry Band  
Ft Sask, AB T8L 0H2

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003967⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-26 Chq#:3975 \$2,940.00

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3975  
DATE 2 4 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*Two Thousand Nine Hundred Forty and 00/100 \$\*\*2,940.00

TO THE ORDER OF Bayco Water Hauling  
129 19 143 Ave  
Edmonton, AB T6V 1E1

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003975⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-26 Chq#:3970 \$1,141.80

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3970  
DATE 2 0 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*One Thousand One Hundred Forty One and 80/100 \$\*\*1,141.80

TO THE ORDER OF Brandt Tractor Ltd (Edm)  
10630 - 178th St  
Edmonton, AB T6S 1V2

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003970⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-28 Chq#:3969 \$1,978.08

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3969  
DATE 2 0 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*One Thousand Nine Hundred Seventy Eight and 08/100 \$\*\*1,978.08

TO THE ORDER OF Kel Tire (MacKenzie Tire (2008) Ltd  
PO Box 1240  
Vernon, BC V1T 8N8

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003969⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-28 Chq#:3957 \$1,370.85

THIS CHEQUE CONTAINS A MICROLINE BORDER AND SECURITY FEATURES

RBoe Aggregate Consulting Ltd. BOX 1110 GIBBONS, AB T0A 1N0

CANADIAN WESTERN BANK  
SUE 100, 1220, JACOB AVE. E. W. EDMONTON, AB T6A 1N0

CHEQUE NO. 3957  
DATE 1 3 0 8 2 0 2 1  
D D M M Y Y Y Y

PAY \*\*One Thousand Three Hundred Seventy and 85/100 \$\*\*1,370.85

TO THE ORDER OF Marmak  
27321 Achison Rd  
Achison, AB T7X 8B1

RBOE AGGREGATE CONSULTING LTD.  
PER *[Signature]*  
PER *[Signature]*

⑈003957⑈ ⑆03029⑆030⑆ ⑆01008623679⑈

2021-08-28 Chq#:333 \$10,000.00

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, ALBERTA T6A 1N0

CHEQUE NO. 000333  
DATE 2021-08-28  
Y Y Y Y M M D D

PAY TO: Cassidy Roden \$ 10,000  
the order of  
Ten thousand dollars

CANADIAN WESTERN BANK  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

RE: Retainer Lawyer

PER: [Signature]

⑆000333⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-08-31 Chq#:3961 \$2,316.30

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3961  
DATE 13082021  
D D M M Y Y Y Y

PAY TO: Two Thousand Three Hundred Sixteen and 30/100 \$\*\*2,316.30  
the order of  
Peachey Bros. Enterprises Ltd  
PO Box 70  
Bayview, AB T6H 0A0

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003961⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-08-31 Chq#:3982 \$34,559.63

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3982  
DATE 27082021  
D D M M Y Y Y Y

PAY TO: Thirty Four Thousand Five Hundred Fifty Nine and 63/100 \$\*\*34,559.63  
the order of  
Redwater Registries  
4926 49 Street  
Redwater, AB T0A 2W0

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003982⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-08-31 Chq#:3968 \$23,100.00

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3968  
DATE 18082021  
D D M M Y Y Y Y

PAY TO: Twenty Three Thousand One Hundred and 00/100 \$\*\*23,100.00  
the order of  
Lafarge Canada Inc.  
22101 - 112 Ave NW  
Edmonton, Alberta T6S 2T6

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003968⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-09-01 Chq#:3976 \$1,886.34

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3976  
DATE 24082021  
D D M M Y Y Y Y

PAY TO: One Thousand Eight Hundred Eighty Six and 34/100 \$\*\*1,886.34  
the order of  
Max Fuel Distributors  
10702 - 79th Ave  
Calmar, AB T6X 6G9

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003976⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-09-01 Chq#:3966 \$18,441.75

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3966  
DATE 17082021  
D D M M Y Y Y Y

PAY TO: Eighteen Thousand Four Hundred Forty One and 75/100 \$\*\*18,441.75  
the order of  
Alberta Transportation  
F n Serv 3rd Floor 4993 98 Ave.  
Edmonton, AB T6B 2K3

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003966⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-09-01 Chq#:3959 \$1,875.00

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3959  
DATE 13082021  
D D M M Y Y Y Y

PAY TO: One Thousand Eight Hundred Seventy Five and 00/100 \$\*\*1,875.00  
the order of  
Jason Water Hauling Ltd.  
Box 1752  
Whitcourt, AB T7S 1P5

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003959⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-09-01 Chq#:3974 \$502.29

RBE AGGREGATE CONSULTING LTD.  
BOX 1110  
GIBBONS, AB T6A 1N0

CHEQUE NO. 3974  
DATE 20082021  
D D M M Y Y Y Y

PAY TO: Five Hundred Two and 29/100 \$\*\*502.29  
the order of  
Espan Industries Ltd.  
10012 - 84th Avenue  
Port St John, BC V1J 5J6

RBE AGGREGATE CONSULTING LTD.  
SUITE 100, 1220 JACOB AVENUE NW  
EDMONTON, AB T6A 3K3

PER: [Signature]

⑆003974⑆ ⑆03029⑆030⑆ ⑆01008623679⑆

2021-09-01 Chq#:3983 \$35,000.00

THIS CHEQUE CONTAINS A MICR LINE, MICR LINE AND SECURITY FEATURES

**Payee:** Rhee Aggregate Consulting Ltd. BOX 1110  
 GIBBOYS, AB T0A 1N0

**Bank:** CANADIAN WESTERN BANK  
 SUITE 101 10201 JAMES RAYMOND BLVD  
 EDMONTON, AB T5A 3A3

**Chq#:** 3983

**DATE:** 2 7 0 8 2 0 2 1  
 O O M M Y Y Y Y

**PAY:** \*\*Thirty Five Thousand and 00/100 \$\*\*35 000.00

**TO THE ORDER OF:** 1822218 Alberta Ltd.  
 8 Radcliffe Wynd  
 Fort Saskatchewan, AB T8L 0M5

**SIGNATURE:** [Signature]

**PER:** [Signature]

**MICR LINE:** \*003983\* 0030290030 101008523579\*

COURT FILE NO. 25-2831494

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Edmonton

Clerk's Stamp

IN THE MATTER OF THE BANKRUPTCY OF  
RBEE AGGREGATE CONSULTING LTD.

APPLICANT FTI CONSULTING CANADA INC., SOLELY IN ITS CAPACITY AS  
LICENSED INSOLVENCY TRUSTEE OF THE BANKRUPT ESTATE OF  
RBEE AGGREGATE CONSULTING LTD.

RESPONDENTS A-1 QUALITY BELTING LTD  
1258311 ALBERTA LIMITED  
BERNIE REED  
JANET FISHER

DOCUMENT **RESPONSES TO ANSWERS TO UNDERTAKINGS OF JANET FISHER  
GIVEN MARCH 18, 2024**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

Russell A. Rimer  
Barrister & Solicitor  
Phone: 780.441.4348  
Fax: 780.428.9683  
Email: rrimer@dcllp.com  
File # 132- -216318

**DUNCAN CRAIG LLP**  
LAWYERS MEDIATORS  
2800 Rice Howard Place  
10060 Jasper Avenue  
Edmonton, Alberta Canada T5J 3V9

**Undertaking No. 1**

To provide any form of contract with RBee Aggregate Consulting Ltd. supporting the Wembley Yard (best efforts).

**Answer**

I could not locate a copy of a written Lease Agreement between RBee Aggregate Consulting Ltd. ("Rbee") and myself for the Wembley Yard.

Upon RBee being formed, it continued to lease the Wembley Yard as did Petro-West Civil L.P. prior to that company being placed into receivership. The \$7,000 monthly rent paid by RBee to myself was the same amount of rent which Petro-West Civil L.P. was paying consistently from August of 2006 until Petro-West going into Receivership.

**Undertaking No. 2**

To review records and, if located, to provide copies of any invoices issued by Ms. Fisher or by Mr. Reed in relation to the Wembley Yard property for the one year directly preceding the bankruptcy date of RBee Aggregate Consulting Ltd. (best efforts).

**Answer**

I have made best efforts to locate copies of invoices issued by me or by Bernie Reed to locate invoices pertaining to the Wembley Yard including having my accountant, Jeff Johson, search for same. We were unable to locate any invoices issued to RBee regarding the Wembley yard from May 18, 2021 to May 18, 2022 (i.e. May 18, 2022 being the date of RBee becoming bankrupt).

# APPENDIX “F”

April 30, 2021 audited Financial Statements of RBee

**RBee Aggregate Consulting Ltd.**  
**Financial Statements**  
*April 30, 2021*

To the Shareholders of RBee Aggregate Consulting Ltd.:

### Opinion

We have audited the financial statements of RBee Aggregate Consulting Ltd. (the "Company"), which comprise the balance sheet as at April 30, 2021, and the statements of loss and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta

November 5, 2021

*MNP LLP*

Chartered Professional Accountants

**RBee Aggregate Consulting Ltd.**  
**Balance Sheet**  
*As at April 30, 2021*

	2021	2020
<b>Assets</b>		
<b>Current</b>		
Accounts receivable (Note 3), (Note 12)	9,517,820	8,390,739
Prepaid expenses and deposits	29,483	-
	<b>9,547,303</b>	8,390,739
<b>Equipment (Note 4)</b>	<b>43,102,202</b>	46,851,855
	<b>52,649,505</b>	55,242,594
<b>Liabilities</b>		
<b>Current</b>		
Bank indebtedness (Note 5)	74,988	89,947
Operating line of credit (Note 5)	3,198,763	4,444,288
Accounts payable and accruals	1	-
Trade and other payables (Note 6), (Note 12)	6,045,379	1,771,878
Advances from A1 Quality Belting Ltd. (Note 12)	619,771	582,421
Term loans due on demand (Note 5), (Note 7)	9,920,630	11,749,722
Current portion of capital lease obligations (Note 8)	1,680,052	1,571,604
	<b>21,539,584</b>	20,209,860
<b>Capital lease obligations (Note 8)</b>	<b>2,999,222</b>	4,558,505
<b>Advances from shareholders (Note 9)</b>	<b>25,628,630</b>	24,149,808
<b>Future income taxes payable</b>	<b>1,747,000</b>	2,616,000
	<b>51,914,436</b>	51,534,173
<b>Commitments (Note 10)</b>		
<b>Shareholders' Equity</b>		
<b>Share capital (Note 11)</b>	2	2
<b>Retained earnings</b>	<b>735,067</b>	3,708,419
	<b>735,069</b>	3,708,421
	<b>52,649,505</b>	55,242,594

Approved on behalf of the Board of Directors

*signed by "David Howells"*

\_\_\_\_\_  
Director

**RBee Aggregate Consulting Ltd.**  
**Statement of Loss and Retained Earnings**  
*For the year ended April 30, 2021*

	<b>2021</b>	<b>2020</b>
<b>Revenue</b> (Note 12)	<b>34,577,201</b>	<b>37,473,565</b>
<b>Cost of sales</b>		
Wages and benefits	<b>6,393,544</b>	6,651,157
Fuel	<b>5,121,023</b>	5,919,864
Supplies, repairs and maintenance (Note 12)	<b>4,986,462</b>	5,799,854
Subsistence and camp costs	<b>3,551,615</b>	3,979,793
Equipment rental costs (Note 12)	<b>2,576,961</b>	2,590,127
Subcontract fees	<b>1,506,558</b>	1,348,851
Belting (Note 12)	<b>1,179,911</b>	1,300,159
Screens	<b>451,862</b>	523,000
Testing costs	<b>178,262</b>	387,480
Gravel hauling costs	<b>17,550</b>	-
	<b>25,963,748</b>	28,500,285
<b>Gross margin</b>	<b>8,613,453</b>	8,973,280
<i>Gross margin as a percentage of revenue</i>	<b>24.9 %</b>	23.9 %
<b>General and administrative expenses</b> (Note 12) (Schedule 1)	<b>7,628,579</b>	5,359,104
<b>Operating earnings before amortization and interest</b>	<b>984,874</b>	3,614,176
<b>Amortization and interest expense (income)</b>		
Amortization of equipment	<b>2,802,189</b>	3,092,329
Interest on loans (Note 12)	<b>2,321,565</b>	2,425,486
Interest and bank charges	<b>134,245</b>	170,384
	<b>5,257,999</b>	5,688,199
<b>Loss from operations</b>	<b>(4,273,125)</b>	(2,074,023)
<b>Other income (expense)</b>		
Canada Emergency Wage Subsidy (Note 14)	<b>1,302,542</b>	170,551
Misappropriation loss	<b>(203,075)</b>	-
Gain (loss) on disposal of equipment	<b>(668,694)</b>	56,883
	<b>430,773</b>	227,434
<b>Loss before income tax</b>	<b>(3,842,352)</b>	(1,846,589)
<b>Recovery of income taxes</b>	<b>(869,000)</b>	(766,697)
<b>Net loss</b>	<b>(2,973,352)</b>	(1,079,892)
<b>Retained earnings, beginning of period</b>	<b>3,708,419</b>	4,788,311
<b>Retained earnings, end of period</b>	<b>735,067</b>	3,708,419

The accompanying notes are an integral part of these financial statements

**RBee Aggregate Consulting Ltd.**  
**Statement of Cash Flows**  
*For the year ended April 30, 2021*

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Net loss	(2,973,352)	(1,079,892)
Amortization of equipment	2,802,189	3,009,647
Recovery of future income taxes	(869,000)	(766,697)
Gain (loss) on disposal of equipment	668,694	(56,883)
Non-cash interest on advances to shareholders (Note 9)	1,478,822	425,000
	1,107,353	1,531,175
Changes in working capital accounts		
Accounts receivable	(1,127,081)	(671,847)
Prepaid expenses and deposits	(29,483)	42,832
Trade and other payables	4,273,501	(504,119)
Wages payable	1	-
	4,224,291	398,041
<b>Financing activities</b>		
Advances of term loans due on demand	1,091,250	6,530,000
Repayments of term loans due on demand	(2,920,342)	(3,471,945)
Advances from A1 Quality Belting Ltd.	643,447	582,421
Repayment of advances from A1 Quality Belting Ltd.	(606,097)	-
Advances (repayments) in operating line of credit, net of repayments (advances) (Note 5)	(1,245,525)	2,029,600
Repayments of capital lease obligations	(1,515,710)	(1,964,883)
	(4,552,977)	3,705,193
<b>Investing activities</b>		
Purchases of equipment	(478,089)	(3,419,888)
Proceeds on disposal of equipment	821,734	397,385
	343,645	(3,022,503)
<b>Decrease (increase) in cash deficiency</b>	14,959	1,080,731
<b>Cash deficiency, beginning of period</b>	(89,947)	(1,170,678)
<b>Cash deficiency, end of period</b>	(74,988)	(89,947)
<b>Cash deficiency is composed of:</b>		
Cheques issued in excess of deposits on hand	(74,988)	(89,947)

**1. Incorporation and operations**

RBee Aggregate Consulting Ltd. (the "Company") was incorporated in the Province of Alberta on September 13, 2017. The Company provides mobile gravel crushing services in Western Canada.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for private enterprises set out in Part II of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

***Revenue recognition***

Gravel crushing revenue is recognized as the services are performed. Management assesses the business environment, customers' financial condition, historical collection experience, accounts receivable aging and customer disputes to determine whether collectability is reasonably assured. If collectability is not considered reasonably assured at the time of sale, the Company does not recognize revenue until collection occurs.

***Cash and cash equivalents***

Cash and cash equivalents include balances with banks, including temporary overdrafts, and short-term investments with maturities of three months or less.

***Equipment***

Equipment is initially recorded at cost. Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b><i>Method</i></b>	<b><i>Rate</i></b>
Automotive	declining balance	20 %
Equipment	declining balance	5 %

In the year of acquisition, amortization is recognized for the portion of the period the asset was in use.

***Long-lived assets***

Long-lived assets consist of equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in loss for the year.

***Leases***

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized using the straight-line method, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

***Government assistance***

Claims for assistance under various government subsidy programs are recorded in other income when eligibility criteria for the assistance has been met and collection is reasonably assured.

**2. Significant accounting policies** *(Continued from previous page)*

***Income taxes***

The Company accounts for income taxes using the future income taxes method. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using substantively enacted tax rates and laws expected to apply when the tax liabilities or assets are to be either settled or realized.

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of equipment.

The calculation of future income tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

***Financial instruments***

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, except certain financial assets and liabilities originated and issued in a related party transaction measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 12). At initial recognition, the Company may irrevocably elect to subsequently measure any financial instrument at fair value. The Company has not made such an election during the year.

The Company subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to financial instruments subsequently measured at fair value are immediately recognized in net loss. Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Company assesses impairment of all its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year loss.

**3. Trade and other receivables**

	<b>2021</b>	<b>2020</b>
Trade receivables	<b>8,184,129</b>	3,687,939
Holdbacks receivable	<b>1,659,268</b>	4,702,798
Misappropriated funds receivable	<b>266,749</b>	-
Share receivables	<b>2</b>	2
	<b>10,110,148</b>	8,390,739
Allowance for doubtful accounts	<b>(592,328)</b>	-
	<b>9,517,820</b>	8,390,739

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**4. Equipment**

			<b>2021</b>	<b>2020</b>
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Automotive	<b>4,202,705</b>	<b>2,163,885</b>	<b>2,038,820</b>	2,814,304
Equipment	<b>48,085,273</b>	<b>7,021,891</b>	<b>41,063,382</b>	44,037,551
	<b>52,287,978</b>	<b>9,185,776</b>	<b>43,102,202</b>	46,851,855

During the year, equipment was acquired at an aggregate cost of \$478,089 (2020 - \$3,419,888), of which \$nil (2020 - \$nil) was acquired by means of capital leases and \$478,089 (2020 - \$3,419,888) was acquired in cash.

Included in equipment are assets under capital lease with a cost of \$6,866,676 (2020 - \$10,435,270) and accumulated amortization of \$739,102 (2020 - \$1,309,555).

**5. Bank indebtedness**

The Company's credit facilities with Canadian Western Bank include access to a demand revolving loan and demand operating loan, authorized to a maximum of \$15,000,000 and \$10,000,000, respectively. Borrowings under these facilities bear interest at prime plus 1.25% (2020 - prime plus 1.0%). At April 30, 2021, \$9,920,630 (2020 - \$11,749,722) had been drawn on the revolving facility (Note 7) and \$3,198,763 (2020 - \$4,444,288) had been drawn on the demand operating loan. Bank indebtedness consists of outstanding cheques in excess of deposits.

Included in the credit facilities noted above with Canadian Western Bank is a letter of credit facility available up to \$1,000,000, of which \$nil (2020 - \$nil) was committed as at April 30, 2021.

These facilities are secured by a General Security Agreement providing a first security interest in all present and after acquired equipment; and assignment and postponement of claim from the shareholders, a Capital Call Agreement in the amount of \$1,000,000 each from each of the shareholders and an assignment of insurance proceeds.

The credit facilities are subject to certain financial covenants with respect to cash flow coverage ratio, debt to tangible net worth ratio, and current ratio. As of April 30, 2021, the Company has not met all covenants.

Advances and repayments on the line of credit are shown on a net basis in the statement of cash flows as it is impracticable to determine the gross transactions.

**6. Trade and other payables**

	<b>2021</b>	<b>2020</b>
Trade accounts payable	<b>3,450,129</b>	1,560,812
Employee deductions payable	<b>1,975,385</b>	232,214
Goods and Services Tax payable	<b>517,025</b>	(107,223)
Accrued liabilities	<b>102,840</b>	86,075
	<b>6,045,379</b>	1,771,878

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**7. Term loans due on demand**

	<b>2021</b>	<b>2020</b>
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$235,117 plus interest, from June to January and interest only payments from February to May, with security as described in Note 5, maturing November 9, 2021.	<b>3,291,637</b>	4,467,222
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$113,636 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing June 25, 2023.	<b>1,931,818</b>	2,500,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$56,055 plus interest from September to January and interest only payments from February to August, with security as described in Note 5, maturing August 19, 2024.	<b>1,513,477</b>	1,793,750
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$57,143 plus interest from June to January and interest only payments from February to May, maturing April 6, 2023, with security as described in Note 5.	<b>914,286</b>	1,200,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$49,602 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing June 8, 2023.	<b>843,239</b>	-
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$27,778 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing November 23, 2023.	<b>611,111</b>	750,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$35,714 plus interest from June to January and interest only payments from February to May, with security as described in Note 5, maturing April 10, 2023.	<b>571,429</b>	750,000
Term loan due on demand bearing interest at prime plus 1.25% (prime plus 1.00%), payable in monthly instalments of \$9,023 plus interest from September to January and interest only payments from February to August, with security as described in Note 5, maturing August 9, 2024.	<b>243,633</b>	288,750
	<b>9,920,630</b>	11,749,722
Less: current portion	<b>9,920,630</b>	11,749,722
	<b>-</b>	<b>-</b>

Principal repayments on term loans due on demand in each of the next four years, assuming loans remain subject to contractual terms of repayment, are estimated as follows:

2022	4,672,550
2023	4,202,314
2024	850,530
2025	195,236
	<b>9,920,630</b>

Term loans due on demand are subject to certain financial covenants as disclosed in Note 5. As the Company is in breach of its covenants, all term loans have been classified as current liabilities on the balance sheet.

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**8. Capital lease obligations**

	2021	2020
Komatsu Financial - Obligations under capital lease payable in blended aggregate monthly installments of \$221,927 (ranging from \$7,169 to \$22,015 individually) from June to January and interest only payments from February to May at rates ranging from nil% to 4.98%, maturing from November 2021 to February 2025, secured by equipment having a net book value of \$6,052,301 (2020 - \$8,701,277).	<b>4,618,545</b>	5,786,888
WS Leasing - Obligations under capital lease payable in blended aggregate monthly installments of \$2,884, including interest rate at 4.99%, maturing March 2023, secured by equipment having a net book value of \$75,274 (2020 - \$91,797).	<b>60,729</b>	343,221
	<b>4,679,274</b>	6,130,109
Less: current portion	<b>1,680,052</b>	1,571,604
	<b>2,999,222</b>	4,558,505

Future minimum lease payments related to obligations under capital lease are as follows:

2022	1,829,376
2023	1,849,774
2024	968,799
2025	312,031
	4,959,980
Less: imputed interest	(280,706)
	4,679,274
Less: current portion	(1,680,052)
	2,999,222

**9. Advances from shareholders**

In conjunction with the acquisition of the Company's initial business assets from Petrowest Civil Services LP, promissory notes payable of \$18,807,490 were assumed from Crown Capital Fund IV, LP, a shareholder of the Company. The advance is repayable on demand, with \$5,000,000 not bearing interest and the remainder bearing interest at 10% before demand, and 12% after demand. During the year, \$1,478,822 (2020 - \$425,000) of interest payable was added to the promissory note payable balance. As this transaction was non-cash it has been omitted from the statement of cash flows. The total balance owing to Crown Capital Fund IV, LP at April 30, 2021 is \$20,628,630 (2020 - \$19,149,808).

On April 30, 2019, the Company issued a \$5,000,000 dividend to 2069328 Alberta Ltd., settled by way of a non-interest bearing promissory note, payable on demand. As the transaction was non-cash, it has been omitted from the statement of cash flows. The \$5,000,000 promissory note has been subordinated and postponed pursuant to an agreement with the Company's surety bonding provider.

Both shareholders have waived their right to repayment within the next year, therefore the advances are presented as a long-term liability.

**RBee Aggregate Consulting Ltd.**  
**Notes to the Financial Statements**  
*For the year ended April 30, 2021*

**10. Commitments**

The Company has entered into a lease agreement with estimated minimum annual payments as follows:

2022	960,000
2023	640,000
	<u>1,600,000</u>

**11. Share capital**

	<b>2021</b>	<b>2020</b>
Issued		
Common shares		
1 Class A voting common share (2020 - 1)	<b>1</b>	<b>1</b>
1 Class B voting common share (2020 - 1)	<b>1</b>	<b>1</b>
	<u><b>2</b></u>	<u><b>2</b></u>

**12. Related party transactions**

During the normal course of business, significant transactions with affiliated companies recorded at the exchange amount and not disclosed separately in the accompanying financial statements were as follows:

	<b>2021</b>	<b>2020</b>
<b>A1 Quality Belting Ltd. - controlled by a Director</b>		
Equipment rental costs	<b>2,468,972</b>	2,738,251
Belting	<b>1,081,377</b>	1,292,736
Other expenses	<b>431,599</b>	222,515
Equipment sold to A1	<b>100,000</b>	1,483,978
Equipment purchased from A1	<b>295,325</b>	-
Supplies, repairs and maintenance	<b>35,689</b>	143,071
Interest expense	<b>25,793</b>	-
Revenues	<b>(178,028)</b>	(14,390)
<b>1258311 Alberta Limited - controlled by a Director</b>		
Rent expense	<b>960,000</b>	960,000
<b>Crown Capital Fund IV, LP - shareholder</b>		
Interest on loans expense	<b>1,490,346</b>	1,043,753
<b>Janet Fisher - Spouse of Director</b>		
Rent expense	<b>84,000</b>	84,000
<b>Bernie Reed - Director</b>		
Supplies, repairs and maintenance	<b>737,741</b>	499,848
Other expenses	<b>273,125</b>	418,302

In addition to the above, as at April 30, 2021 A1 Quality Belting Ltd. advanced \$619,771 (2020 - \$582,421) to the Company. The advances are non-interest bearing, unsecured and due on demand. Included in accounts payable and accruals is \$1,171,364 (2020 - \$107,479) owing to A1 Quality Belting Ltd., \$84,000 (2020 - \$nil) owing to 1258311 AB Ltd. and \$183,318 (2020 - \$nil) owing to Bernie Reed. Included in accounts receivable is \$141,437 receivable from A1 Quality Belting Ltd.

**13. Financial instruments**

The Company, as part of its operations, carries a number of financial instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Credit risk and concentration***

For the year ended April 30, 2021, three customers (2020 - two customers) accounted for 28% (2020 - 37%) of revenues from operations and as at April 30, 2021 one customer (2020 - three customers) accounted for 23% (2020 - 64%) of accounts receivable. The Company experienced an increase in credit risk during the year as certain customers experienced financial difficulty creating uncertainty regarding their ability to honour amounts payable. Risk exposure associated with the collection of these receivables has been incorporated into the determination of the allowance for doubtful accounts (Note 3). The Company performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Company is exposed to interest rate cash flow risk with respect to bank indebtedness and term loans due on demand which are subject to floating interest rates as disclosed in Notes 5 and 7. The Company is exposed to interest rate price risk on its advances from shareholder (Note 9) and capital lease obligations (Note 8) as they are at fixed rates.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's exposure to liquidity risk is dependent on achieving profitable operations, collection of accounts receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

**14. Significant event**

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of any impact the COVID-19 outbreak may have on the Company subsequent to year-end as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the spread of the disease, duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

The Company applied for the Canada Emergency Wage Subsidy (CEWS). Under CEWS, organizations experiencing significant revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages or deductions paid during those periods. For the year ended April 30, 2021, the Company claimed aggregate subsidies under these programs of \$1,302,542 (2020 - \$170,551).

**15. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**RBee Aggregate Consulting Ltd.**  
**Schedule 1 - Schedule of General and Administrative Expenses**  
*For the year ended April 30, 2021*

	<b>2021</b>	<b>2020</b>
<b>General and administrative expenses</b>		
Bad debts	<b>1,996,532</b>	-
Salaries, wages and benefits	<b>1,440,964</b>	1,780,319
Rent <i>(Note 12)</i>	<b>1,045,524</b>	1,054,350
Telephone and utilities	<b>607,785</b>	602,620
Licenses, taxes and permits	<b>567,992</b>	228,601
Insurance	<b>566,484</b>	579,891
Accounting and legal	<b>463,547</b>	55,175
Professional fees	<b>376,770</b>	322,784
Travel and entertainment	<b>178,122</b>	170,861
Vehicle costs	<b>161,346</b>	218,898
Office	<b>80,643</b>	112,853
Freight	<b>79,914</b>	74,526
WCB expense	<b>62,956</b>	158,226
	<b>7,628,579</b>	5,359,104

# APPENDIX “G”

Detailed Listing of Preferential Transactions

Appendix "G"

Detailed Listing of Preferential Transactions

Period: May 19, 2021 to March 10, 2022

Related Party	Date	Category Type	Amount
1258311 Alberta Ltd.	22-Feb-22	Rent Payment	\$ 84,000
Bernie Reed	22-Feb-22	Expense Payment	39,874
Bernie Reed	22-Feb-22	Expense Payment	2,586
Bernie Reed	22-Feb-22	Expense Payment	747
Bernie Reed	22-Feb-22	Expense Payment	3,537
Bernie Reed	22-Feb-22	Expense Payment	4,198
Bernie Reed	22-Feb-22	Expense Payment	427
1258311 Alberta Ltd.	22-Feb-22	Rent Payment	84,000
A-1	18-Feb-22	Intercompany Loan Transaction	219,719
A-1	3-Feb-22	Expense Payment	10,944
A-1	3-Feb-22	Expense Payment	1,017
A-1	3-Feb-22	Expense Payment	7,518
A-1	3-Feb-22	Expense Payment	15,553
A-1	3-Feb-22	Expense Payment	3,009
Bernie Reed	3-Feb-22	Expense Payment	438
Bernie Reed	31-Jan-22	Expense Payment	800
Bernie Reed	31-Jan-22	Expense Payment	241
Bernie Reed	31-Jan-22	Expense Payment	1,244
Bernie Reed	31-Jan-22	Expense Payment	21,942
Bernie Reed	31-Jan-22	Expense Payment	16,518
Bernie Reed	31-Jan-22	Expense Payment	3,473
A-1	26-Jan-22	Expense Payment	15,818
A-1	26-Jan-22	Expense Payment	24,675
A-1	26-Jan-22	Expense Payment	21,000
A-1	26-Jan-22	Expense Payment	30,611
A-1	26-Jan-22	Expense Payment	36,547
A-1	26-Jan-22	Expense Payment	18,273
A-1	26-Jan-22	Expense Payment	10,014
A-1	26-Jan-22	Expense Payment	7,450
A-1	21-Jan-22	Expense Payment	26,040
A-1	21-Jan-22	Expense Payment	2,600
A-1	21-Jan-22	Expense Payment	17,976
A-1	21-Jan-22	Expense Payment	6,117
A-1	21-Jan-22	Expense Payment	12,113
A-1	21-Jan-22	Expense Payment	1,017
A-1	21-Jan-22	Expense Payment	13,183
A-1	21-Jan-22	Expense Payment	1,352
A-1	21-Jan-22	Expense Payment	7,293
A-1	21-Jan-22	Expense Payment	5,543
A-1	21-Jan-22	Expense Payment	1,261
A-1	21-Jan-22	Expense Payment	26,040
A-1	21-Jan-22	Expense Payment	3,071
A-1	19-Jan-22	Expense Payment	106,661
A-1	19-Jan-22	Expense Payment	1,821
A-1	19-Jan-22	Expense Payment	1,536
A-1	19-Jan-22	Expense Payment	696
A-1	19-Jan-22	Expense Payment	1,977
A-1	19-Jan-22	Expense Payment	2,360
A-1	19-Jan-22	Expense Payment	1,661
A-1	19-Jan-22	Expense Payment	25,105
A-1	19-Jan-22	Expense Payment	5,051
A-1	19-Jan-22	Expense Payment	17,195
A-1	19-Jan-22	Expense Payment	1,011
A-1	19-Jan-22	Expense Payment	2,887
A-1	19-Jan-22	Expense Payment	1,582
A-1	19-Jan-22	Expense Payment	1,893
A-1	19-Jan-22	Expense Payment	2,491
A-1	19-Jan-22	Expense Payment	9,267
A-1	19-Jan-22	Expense Payment	26,393

Appendix ""

Detailed Listing of Preferential Transactions

Period: May 19, 2021 to March 10, 2022

Related Party	Date	Category Type	Amount
A-1	19-Jan-22	Expense Payment	25,567
A-1	19-Jan-22	Expense Payment	15,332
A-1	19-Jan-22	Expense Payment	6,392
A-1	19-Jan-22	Expense Payment	10,366
A-1	19-Jan-22	Expense Payment	10,646
A-1	19-Jan-22	Expense Payment	26,040
A-1	19-Jan-22	Expense Payment	3,726
A-1	19-Jan-22	Expense Payment	4,013
A-1	19-Jan-22	Expense Payment	751
A-1	19-Jan-22	Expense Payment	21,300
Bernie Reed	19-Jan-22	Expense Payment	26,295
Bernie Reed	19-Jan-22	Expense Payment	1,481
Bernie Reed	19-Jan-22	Expense Payment	1,110
Bernie Reed	19-Jan-22	Expense Payment	1,246
Bernie Reed	19-Jan-22	Expense Payment	164
Bernie Reed	19-Jan-22	Expense Payment	5,534
Bernie Reed	19-Jan-22	Expense Payment	1,898
Bernie Reed	19-Jan-22	Expense Payment	38,147
1258311 Alberta Ltd.	17-Jan-22	Rent Payment	84,000
Bernie Reed	14-Jan-22	Expense Payment	250
Bernie Reed	14-Jan-22	Expense Payment	1,812
Bernie Reed	14-Jan-22	Expense Payment	2,913
Bernie Reed	14-Jan-22	Expense Payment	5,749
Bernie Reed	14-Jan-22	Expense Payment	978
Bernie Reed	14-Jan-22	Expense Payment	19,426
Bernie Reed	14-Jan-22	Expense Payment	3,438
Bernie Reed	14-Jan-22	Expense Payment	89,124
A-1	21-Dec-21	Expense Payment	13,118
A-1	21-Dec-21	Expense Payment	13,581
A-1	21-Dec-21	Expense Payment	3,728
A-1	21-Dec-21	Expense Payment	2,609
A-1	21-Dec-21	Expense Payment	17,939
A-1	21-Dec-21	Expense Payment	1,998
A-1	21-Dec-21	Expense Payment	5,957
A-1	21-Dec-21	Expense Payment	9,840
A-1	21-Dec-21	Expense Payment	384
A-1	21-Dec-21	Expense Payment	12,007
A-1	21-Dec-21	Expense Payment	8,176
A-1	21-Dec-21	Expense Payment	4,750
A-1	21-Dec-21	Expense Payment	6,632
A-1	21-Dec-21	Expense Payment	2,238
A-1	21-Dec-21	Expense Payment	694
A-1	21-Dec-21	Expense Payment	14,974
A-1	21-Dec-21	Expense Payment	14,974
A-1	21-Dec-21	Expense Payment	464
A-1	21-Dec-21	Expense Payment	1,017
A-1	21-Dec-21	Expense Payment	4,095
A-1	21-Dec-21	Expense Payment	3,972
A-1	21-Dec-21	Expense Payment	1,998
A-1	21-Dec-21	Expense Payment	1,157
A-1	21-Dec-21	Expense Payment	26,040
A-1	21-Dec-21	Expense Payment	48,351
A-1	21-Dec-21	Expense Payment	4,658
A-1	21-Dec-21	Expense Payment	3,703
A-1	21-Dec-21	Expense Payment	5,829
A-1	21-Dec-21	Expense Payment	25,007
A-1	21-Dec-21	Expense Payment	1,439
A-1	21-Dec-21	Expense Payment	5,970
1258311 Alberta Ltd.	16-Dec-21	Rent Payment	84,000

Appendix ""

Detailed Listing of Preferential Transactions

Period: May 19, 2021 to March 10, 2022

Related Party	Date	Category Type	Amount
Janet Fisher	16-Dec-21	Rent Payment	7,350
Bernie Reed	7-Dec-21	Expense Payment	1,130
Bernie Reed	7-Dec-21	Expense Payment	9,521
Bernie Reed	7-Dec-21	Expense Payment	3,111
Bernie Reed	7-Dec-21	Expense Payment	2,786
Bernie Reed	7-Dec-21	Expense Payment	1,795
Bernie Reed	7-Dec-21	Expense Payment	136
Bernie Reed	7-Dec-21	Expense Payment	38,020
Bernie Reed	7-Dec-21	Expense Payment	42,514
A-1	3-Dec-21	Expense Payment	13,709
A-1	3-Dec-21	Expense Payment	9,569
A-1	3-Dec-21	Expense Payment	6,629
A-1	3-Dec-21	Expense Payment	639
A-1	3-Dec-21	Expense Payment	8,514
A-1	3-Dec-21	Expense Payment	4,639
A-1	3-Dec-21	Expense Payment	10,067
A-1	3-Dec-21	Expense Payment	1,428
A-1	3-Dec-21	Expense Payment	5,118
A-1	3-Dec-21	Expense Payment	2,625
A-1	3-Dec-21	Expense Payment	12,980
A-1	3-Dec-21	Expense Payment	26,040
A-1	3-Dec-21	Expense Payment	347
A-1	3-Dec-21	Expense Payment	41,179
A-1	3-Dec-21	Expense Payment	11,894
A-1	3-Dec-21	Expense Payment	504
A-1	3-Dec-21	Expense Payment	14,850
A-1	3-Dec-21	Expense Payment	860
A-1	3-Dec-21	Expense Payment	12,638
A-1	3-Dec-21	Expense Payment	12,338
A-1	3-Dec-21	Expense Payment	5,738
A-1	3-Dec-21	Expense Payment	422
A-1	3-Dec-21	Expense Payment	6,339
A-1	3-Dec-21	Expense Payment	8,543
A-1	3-Dec-21	Expense Payment	2,432
A-1	3-Dec-21	Expense Payment	129
A-1	3-Dec-21	Expense Payment	214
A-1	3-Dec-21	Expense Payment	4,687
A-1	3-Dec-21	Expense Payment	2,101
A-1	3-Dec-21	Expense Payment	26,040
Bernie Reed	15-Nov-21	Expense Payment	26,785
Bernie Reed	15-Nov-21	Expense Payment	141
Bernie Reed	15-Nov-21	Expense Payment	4,187
Bernie Reed	15-Nov-21	Expense Payment	2,599
Bernie Reed	15-Nov-21	Expense Payment	16,923
Bernie Reed	15-Nov-21	Expense Payment	642
Bernie Reed	15-Nov-21	Expense Payment	4,957
Bernie Reed	15-Nov-21	Expense Payment	3,398
1258311 Alberta Ltd.	3-Nov-21	Rent Payment	84,000
Janet Fisher	3-Nov-21	Rent Payment	7,350
A-1	25-Oct-21	Equipment Rent Payments	341,250
A-1	25-Oct-21	Expense Payment	26,040
A-1	25-Oct-21	Expense Payment	26,040
A-1	25-Oct-21	Expense Payment	1,563
A-1	25-Oct-21	Expense Payment	26,040
A-1	25-Oct-21	Expense Payment	20,950
A-1	25-Oct-21	Expense Payment	7,207
A-1	25-Oct-21	Expense Payment	8,681
A-1	25-Oct-21	Expense Payment	422
A-1	25-Oct-21	Expense Payment	8,851

Appendix ""
Detailed Listing of Preferential Transactions
Period: May 19, 2021 to March 10, 2022

Related Party	Date	Category Type	Amount
A-1	25-Oct-21	Expense Payment	23,747
A-1	25-Oct-21	Expense Payment	1,241
A-1	25-Oct-21	Expense Payment	26,040
A-1	25-Oct-21	Expense Payment	18,273
A-1	25-Oct-21	Expense Payment	18,273
A-1	25-Oct-21	Expense Payment	18,273
A-1	25-Oct-21	Expense Payment	18,273
A-1	25-Oct-21	Expense Payment	18,273
A-1	25-Oct-21	Expense Payment	14,995
A-1	25-Oct-21	Expense Payment	6,783
A-1	25-Oct-21	Expense Payment	6,149
A-1	25-Oct-21	Expense Payment	7,917
A-1	25-Oct-21	Expense Payment	3,074
A-1	25-Oct-21	Expense Payment	9,450
A-1	25-Oct-21	Expense Payment	25,147
A-1	25-Oct-21	Expense Payment	7,499
A-1	25-Oct-21	Expense Payment	3,957
A-1	25-Oct-21	Expense Payment	30,611
A-1	25-Oct-21	Expense Payment	36,547
A-1	25-Oct-21	Expense Payment	23,118
A-1	25-Oct-21	Expense Payment	26,040
A-1	25-Oct-21	Expense Payment	6,471
A-1	25-Oct-21	Expense Payment	36,547
A-1	25-Oct-21	Expense Payment	36,547
A-1	25-Oct-21	Expense Payment	36,547
A-1	25-Oct-21	Expense Payment	933
A-1	25-Oct-21	Expense Payment	15,306
A-1	25-Oct-21	Expense Payment	25,563
A-1	25-Oct-21	Expense Payment	41,545
A-1	25-Oct-21	Expense Payment	1,050
A-1	25-Oct-21	Expense Payment	5,992
A-1	25-Oct-21	Expense Payment	2,412
A-1	25-Oct-21	Expense Payment	11,922
A-1	25-Oct-21	Expense Payment	15,168
A-1	25-Oct-21	Expense Payment	6,811
Bernie Reed	18-Oct-21	Expense Payment	51,283
Bernie Reed	18-Oct-21	Expense Payment	42,566
Bernie Reed	18-Oct-21	Expense Payment	14,053
Bernie Reed	18-Oct-21	Expense Payment	6,201
Bernie Reed	18-Oct-21	Expense Payment	190
Bernie Reed	18-Oct-21	Expense Payment	609
Bernie Reed	18-Oct-21	Expense Payment	24,647
Bernie Reed	18-Oct-21	Expense Payment	405
1258311 Alberta Ltd.	18-Oct-21	Rent Payment	84,000
A-1	22-Sep-21	Equipment Rent Payments	309,750
A-1	22-Sep-21	Expense Payment	26,040
A-1	22-Sep-21	Expense Payment	2,762
A-1	22-Sep-21	Expense Payment	1,386
A-1	22-Sep-21	Expense Payment	3,527
A-1	22-Sep-21	Expense Payment	1,575
A-1	22-Sep-21	Expense Payment	13,125
A-1	22-Sep-21	Expense Payment	50,118
A-1	22-Sep-21	Expense Payment	14,173
A-1	22-Sep-21	Expense Payment	18,917
A-1	22-Sep-21	Expense Payment	3,380
A-1	22-Sep-21	Expense Payment	25,341
A-1	22-Sep-21	Expense Payment	1,278
A-1	22-Sep-21	Expense Payment	2,449
A-1	22-Sep-21	Expense Payment	2,762

Appendix ""

Detailed Listing of Preferential Transactions

Period: May 19, 2021 to March 10, 2022

Related Party	Date	Category Type	Amount
A-1	22-Sep-21	Expense Payment	13,724
A-1	22-Sep-21	Expense Payment	1,875
A-1	22-Sep-21	Expense Payment	21,932
A-1	22-Sep-21	Expense Payment	26,040
Bernie Reed	13-Sep-21	Expense Payment	7,573
Bernie Reed	13-Sep-21	Expense Payment	4,599
Bernie Reed	13-Sep-21	Expense Payment	7,477
Bernie Reed	13-Sep-21	Expense Payment	7,932
Bernie Reed	13-Sep-21	Expense Payment	682
Bernie Reed	13-Sep-21	Expense Payment	38,862
Bernie Reed	13-Sep-21	Expense Payment	22,719
Bernie Reed	3-Sep-21	Expense Payment	35,551
1258311 Alberta Ltd.	3-Sep-21	Rent Payment	84,000
A-1	20-Aug-21	Expense Payment	10,773
A-1	20-Aug-21	Expense Payment	9,244
A-1	20-Aug-21	Expense Payment	52,500
A-1	20-Aug-21	Expense Payment	5,150
A-1	20-Aug-21	Expense Payment	11,311
A-1	20-Aug-21	Expense Payment	14,767
A-1	20-Aug-21	Expense Payment	5,725
A-1	20-Aug-21	Expense Payment	48,222
Bernie Reed	18-Aug-21	Intercompany Loan Transaction	800,000
Bernie Reed	12-Aug-21	Expense Payment	76
Bernie Reed	12-Aug-21	Expense Payment	50
Bernie Reed	12-Aug-21	Expense Payment	2,567
Janet Fisher	12-Aug-21	Rent Payment	7,350
1258311 Alberta Ltd.	11-Aug-21	Rent Payment	84,000
Bernie Reed	11-Aug-21	Expense Payment	6,580
Bernie Reed	11-Aug-21	Expense Payment	41,902
Bernie Reed	11-Aug-21	Expense Payment	8,868
Bernie Reed	11-Aug-21	Expense Payment	39
Bernie Reed	11-Aug-21	Expense Payment	7,171
Bernie Reed	11-Aug-21	Expense Payment	1,048
Bernie Reed	11-Aug-21	Expense Payment	16,914
Bernie Reed	11-Aug-21	Expense Payment	18,217
Bernie Reed	11-Aug-21	Expense Payment	8,866
Bernie Reed	11-Aug-21	Expense Payment	26,483
Bernie Reed	11-Aug-21	Expense Payment	4,937
Bernie Reed	11-Aug-21	Expense Payment	45,814
Bernie Reed	11-Aug-21	Expense Payment	5,859
Bernie Reed	11-Aug-21	Expense Payment	2,267
1258311 Alberta Ltd.	11-Aug-21	Rent Payment	84,000
Bernie Reed	20-Jul-21	Expense Payment	3,176
Bernie Reed	20-Jul-21	Expense Payment	4,805
Bernie Reed	20-Jul-21	Expense Payment	4,726
Bernie Reed	20-Jul-21	Expense Payment	41
Bernie Reed	20-Jul-21	Expense Payment	26,797
Bernie Reed	20-Jul-21	Expense Payment	44,079
Bernie Reed	20-Jul-21	Expense Payment	2,778
Bernie Reed	7-Jun-21	Expense Payment	78,169
Bernie Reed	7-Jun-21	Expense Payment	27
Bernie Reed	7-Jun-21	Expense Payment	721
Bernie Reed	7-Jun-21	Expense Payment	18,000
1258311 Alberta Ltd.	2-Jun-21	Rent Payment	84,000
1258311 Alberta Ltd.	2-Jun-21	Rent Payment	84,000
Janet Fisher	2-Jun-21	Rent Payment	7,350
Janet Fisher	2-Jun-21	Rent Payment	7,350
Total			\$ 6,012,675

# APPENDIX “H”

The 2021 Audit Report



## **RBee Aggregate Consulting Ltd.**

2021 Audit Findings

Report to the Board of Directors

April 30, 2021

Dwaine Grynke, CPA, CA  
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## OVERVIEW

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of RBee Aggregate Consulting Ltd. (the "Company") as at April 30, 2021 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

As auditors, we report to the shareholders on the results of our examination of the financial statements of the Company as at and for the year ended April 30, 2021. The purpose of this Report is to assist you, as members of the Board of Directors, in your review of the results of our audit.

This Report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

## ENGAGEMENT STATUS

We have substantially completed our audit of the financial statements of the Company which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Discussion of subsequent events with the Board of Directors;
- The Board of Directors' review and approval of the financial statements.

No significant limitations were placed on the scope or timing of our audit.

## INDEPENDENT AUDITOR'S REPORT



We expect to have the above procedures completed and to release our Independent Auditor's Report on November 5, 2021.


Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the shareholders of the Company. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.





## AUDIT REPORTING MATTERS




Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

### SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

AREA	COMMENTS
 <b>CHANGES FROM AUDIT SERVICE PLAN</b>	There were no deviations from the Audit Service Plan previously presented to you.
 <b>FINAL MATERIALITY</b>	Final materiality used for our audit was \$1,400,000 for April 30, 2021, and \$1,500,000 for April 30, 2020.

AREA	COMMENTS
<div data-bbox="170 197 245 268">  </div> <p data-bbox="289 201 665 226"><b>IDENTIFIED OR SUSPECTED FRAUD</b></p>	<p data-bbox="834 182 1445 422">During the year, management identified fraud of \$629,825 that spanned from January 2019 to March 2021. The fraud was committed by the previous bookkeeper, Tina Johns, through modifying the attributes for EFTs to vendors and employees. Tina falsified payments by sending EFTs to her own bank account under the name of otherwise legitimate vendors and employees.</p> <p data-bbox="834 447 1445 779">Once the fraud and amount had been determined, shareholders chose to not press charges, but to recover losses through legal proceedings. Tina and the Company reached a settlement agreement on August 13, 2021. Tina had paid \$160,000 prior to April 30, 2021 with an additional \$248,950, \$187,000 of which is held in trust by DLA Piper, received subsequent to year end. RBee is expected to receive an additional \$17,800 by selling confiscated personal belongings. The total amount that is not expected to be collected is \$203,075 which has been expensed in the year as a loss due to misappropriation.</p> <p data-bbox="834 804 1445 888">MNP has a responsibility to respond to and perform additional audit procedures around the fraudulent transactions. Our response was as follows:</p> <p data-bbox="834 913 1445 1123">Consultation with a senior member of MNP's Forensics team. Procedures and additional risks surrounding the fraud were developed from this consultation. We had multiple discussions with BDO, shareholders, lawyers and the bookkeeper to gain a full understanding of the circumstances, recoveries and which control processes needed to be strengthened.</p> <p data-bbox="834 1148 1445 1480">An evaluation of theft was prepared by Coleen Benesocky, the current bookkeeper, which was reviewed by BDO. Procedures were performed by MNP around the completeness of the information utilized through the recreation of the transaction data and re-testing for payments matching the identified bank account numbers of Tina. In addition, we stratified the falsified employees and vendors that are known to have been used by Tina, and performed additional detailed testing using a high risk assessment, to verify the legitimacy of the non-fraudulent expenses recorded.</p> <p data-bbox="834 1505 1445 1770">As noted above, the Company was able to recover a portion of the stolen cash back from Tina. At April 30, 2021, \$266,750 was considered to be receivable from Tina. We performed additional procedures around the accuracy and collectability of those receivables. This was done through testing subsequent receipt of all amounts recorded. Amounts not received were confirmed with DLA Piper to funds being held in trust. Balances not collected subsequent to year end were adjusted to loss.</p> <p data-bbox="834 1795 1445 1908">Finally, verification of general ledger data integrity and testing of manual journal entries is a key audit step in understanding and addressing the risk of fraud. MNP utilizes a ground-breaking platform, Mindbridge Ai, in the</p>

AREA	COMMENTS
	<p>completion of these steps.</p> <p>Mindbridge Ai is the world's first and only Ai powered auditing solution that leverages advanced machine learning and Ai techniques to augment human capacity and cope with the enormous amounts of financial data that exist within organizations. While other audit tools only look at accounts and entries in isolation, Mindbridge Ai identifies unusual transactions by also looking at the monetary flows between accounts, all credits and all debits. This helps MNP to provide you with an unparalleled view into the state of your data, arming you to better understand individual transactions and identify potential issues. An excerpt of our analysis is attached to this report.</p> <p>While our audit cannot be relied upon to detect all instances of fraud, other than noted above, no other instances of fraud, or suspected fraud, came to our attention in the course of our audit.</p>
 <b>IDENTIFIED OR SUSPECTED NON-COMPLIANCE WITH LAWS AND REGULATIONS</b>	<p>The Company has not complied with payroll and GST remittance requirements of CRA. As a result, there are significant balances owing at April 30, 2021 which continue to accrue interest charges. The related penalties and interest incurred to April 30, 2021 have been recorded in the financial statements.</p> <p>Nothing else has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.</p>
 <b>MATTERS ARISING IN CONNECTION WITH RELATED PARTIES</b>	<p>Related party transactions have been disclosed in the notes to the financial statements.</p> <p>No other significant matters arose during the course of our audit in connection with related parties of the Company.</p>
 <b>GOING CONCERN</b>	<p>No events or conditions were identified during the audit that may cast significant doubt on the entity's ability to continue as a going concern.</p>
 <b>AUDITOR'S VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES, ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES</b>	<p>The application of Canadian accounting standards for private enterprises allows and requires the Company to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Company's accounting practices, and have noted that the accounting policies used by the Company are appropriate and have been consistently applied.</p> <p>The accounting policies used by the Company are appropriate and have been consistently applied.</p>

AREA	COMMENTS
 <b>FINANCIAL STATEMENT DISCLOSURES</b>	<p>The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.</p>
 <b>SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL</b>	<p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, we have detected significant deficiencies in internal controls, which are included under separate cover to this report.</p>
 <b>MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT</b>	<p>During the engagement, it came to our attention that the Company was able to recover a portion of its outstanding JMB Crushing Systems Inc. holdback receivable from Northbridge Insurance. The remaining outstanding receivables from JMB were no longer considered recoverable and were written off. The total loss after insurance coverage was \$1,380,120 and is included in bad debts expense in the financial statements.</p> <p>There were no other significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>

#### SIGNIFICANT RISK AREAS AND RESPONSES

SIGNIFICANT RISK AREA	RESPONSE AND CONCLUSION
<b>Revenue</b>  General fraud risk with respect to revenue recognition	<p>MNP performed focused detailed testing of transactions to ensure revenue was recorded in the appropriate fiscal period for the accurate amount.</p>
<b>Accounts Receivable</b>  Valuation risk with respect to collectibility of receivables	<p>MNP performed subsequent receipt testing over collectibility of receivables.</p> <p>Receivables that were older than 90 days and were considered key items were traced to payments received subsequent to year end, and if not collected, did additional work to determine the collectability of the remaining uncollected amount.</p> <p>All remaining accounts receivables were randomly sampled and subsequent receipt testing was performed. No significant items to note as a result of our testing</p>
<b>Holdbacks Receivable</b>  Valuation risk with respect to collectibility of holdbacks receivables	<p>MNP performed subsequent receipt testing over collectibility of the holdbacks. Holdbacks that were older than 90 days and were considered key items were traced to payments received subsequent to year end, and if not collected, we did additional work to determine the collectability of the remaining uncollected amount.</p> <p>All remaining holdbacks were randomly sampled and subsequent receipt testing was performed.</p>

SIGNIFICANT RISK AREA	RESPONSE
	<p>During the performance of these procedures it was identified that significant number of holdbacks were still outstanding through to the date of testing. As a result, MNP performed additional procedures, where as every holdback was reviewed and assessed as to whether there it is collectable based on continuation of additional business, work on the projects have been performed and/or if any other receivables were being paid off by the customer.</p> <p>This resulted in the write-off of approximatey \$600,000 of holdbacks dating back to 2018. In addition, there were a number of holdbacks in which the collectability could not be verified or reasonably estimated, as a result a posting has been taken to the summary of differenes for this amount.</p>
<p><b>Expenses</b></p> <p>Multiple vendors were used to conceal fraud in the year.</p>	<p>As discussed above, MNP performed specific procedures to respond to the fraud and increased risk associated with the affected accounts. MNP stratified the high risk vendors and performed high risk substantive testing. General expense testing was performed on populations that did not indicate a significant risk of fraud.</p> <p>Nothing significant to note as a result of our testing.</p>
<p><b>Payroll</b></p> <p>Multiple ex-employees were being used to conceal fraud in the year.</p>	<p>As discussed above, MNP performed specific procedures to respond to the fraud and increased risk associated with the affected accounts. MNP stratified the high risk employees and performed high risk substantive testing. General payroll testing was performed on populations that did not indicate a significant risk of fraud.</p> <p>Nothing significant to note as a result of our testing.</p>
<p><b>Term loans due on demand</b></p> <p>Completeness of disclosures and classification on the financial statements.</p>	<p>MNP obtained confirmations of debt, performed a reasonability of interest on long-term debt and reviewed debt agreements.</p> <p>All amounts of the term loans were disclosed appropriately, classified appropriatly and were accurate.</p>

## OTHER AREAS

AREA	COMMENTS
<b>AUDITOR INDEPENDENCE</b>	We confirm to the Board of Directors that we are independent of the Company. Our letter to the Board of Directors discussing our independence is included as part of the additional materials attached to this report.
<b>MANAGEMENT REPRESENTATIONS</b>	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
<b>SUMMARY OF SIGNIFICANT DIFFERENCES</b>	Several significant differences were proposed to management with respect to the April 30, 2021 financial statements. A summary of significant differences has been included with this report.
<b>COVID-19</b>	<p>During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. Our audit response in respect of COVID-19 included consideration of the following:</p> <ul style="list-style-type: none"> <li>- Review with management to understand the impact of COVID-19 on the operations of the Company</li> <li>- Review with management to understand changes in controls and processes previously followed by the Company</li> <li>- Analyze management's assessment of going concern, including the existing and anticipated effect of COVID-19 on the Company's activities</li> <li>- Inquire about and confirm regarding the potential existence of any new provisions or contingencies that may arise due to breaches in contracts, litigation, etc. resulting from the impact of COVID-19</li> <li>- Analyze the impact of COVID-19 on audit risk assessment and revise as appropriate; and</li> <li>- Assess the need for subsequent events disclosure in the financial statements.</li> </ul> <p>As a result of these procedures, disclosure was included in the financial statements regarding the ongoing pandemic and uncertain future impact. In addition, we reviewed the Company's CEWS claim for reasonability and ensured this government subsidy was appropriately disclosed.</p>

## SUMMARY OF SIGNIFICANT DIFFERENCES

### SIGNIFICANT ADJUSTED DIFFERENCES

DIFFERENCES NOTED	BALANCE SHEET	STATEMENT OF LOSS AND RETAINED EARNINGS
To adjust accounts receivables collectable from the previous bookkeeper to actual	\$ (203,075)	\$ 203,075
To reclassify interest portion of note payable per email correspondence with Shane Melanson, Controller, Crown Capital	\$ (1,478,822)	\$ 1,478,822
To record payroll interest & penalties	\$ (1,274)	\$ 1,274
To record GST interest & penalties	\$ (21,980)	\$ 21,980
To record DLA piper invoices	\$ (95,970)	\$ 95,970
To record current year's FIT adjustment	\$ 869,000	\$ (869,000)
To allow for the EY holdbacks not collected at April 30, 2021	\$ (592,328)	\$ 592,328
To reverse the Standard General invoice #287 as it related to revenue from prior years and is not collectable	\$ (743,157)	\$ 743,157
<b>Total Adjusted Differences (Income Effect)</b>		<b>\$ 2,267,606</b>

### SIGNIFICANT UNADJUSTED DIFFERENCES

DIFFERENCES NOTED	BALANCE SHEET	STATEMENT OF LOSS AND RETAINED EARNINGS
Projected year-end payroll accrual	\$ (266,768)	\$ 266,768
Possible overstatement of payroll due to extrapolated error	\$ 288,532	\$ (288,532)
Possible uncollectable AR (uncollected per testing \$46,644)	\$ (100,865)	\$ 100,865
Opening balance SUD adjustment for misappropriated fund from prior year that was collected or collectable subsequent to legal action pursued against the previous bookkeeper	\$ (97,113)	\$ 97,113
Cut-off error identified in detail expense testing	\$ 233,980	\$ (233,980)

DIFFERENCES NOTED	BALANCE SHEET	STATEMENT OF LOSS AND RETAINED EARNINGS
2017 and 2019 PST recorded to through income in the year	\$ 354,267	\$ (354,267)
Possible uncollectable holdbacks per listing	\$ (570,750)	\$ 570,750
CEWS amount that should have been included in 2020 rather than 2021	\$ (145,933)	\$ 145,933
Possible AFDA for The Hayes Group Invoice #282 & 284	\$ (323,112)	\$ 323,112
Uncorrected opening differences	\$ 1,204,403	\$ (1,204,403)
<b>Total Unadjusted Differences (Income Effect)</b>		<b>\$ (576,641)</b>

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

*MNP LLP*

**Chartered Professional Accountants**

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## APPENDIX A - MINDBRIDGE AI ANALYSIS

(SEE ATTACHED)

# Summary of Transactional Risk

Organization: Rbee

Engagement: Rbee 2021

Analysis period: May 1, 2020 - Apr 30, 2021

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## Overview

MindBridge was used to analyze 100% of the transactions in your organization's financial data to provide a summarized assessment of risk.

MindBridge uses business rules, statistical methods, and machine learning based tests to risk score each transaction to provide more visibility into unusual trends or anomalies within the ledger detail. Each of these tests are referred to as control points within MindBridge.

Examples of key control points used within the analysis, across the three main categories referred to above:

Business rules:

- Suspicious Keywords, Sequence Gaps, Duplicates, Reversals, Cash Expenditures.

Statistical methods:

- High Monetary Value, Benford's Law, Unusual Amount.

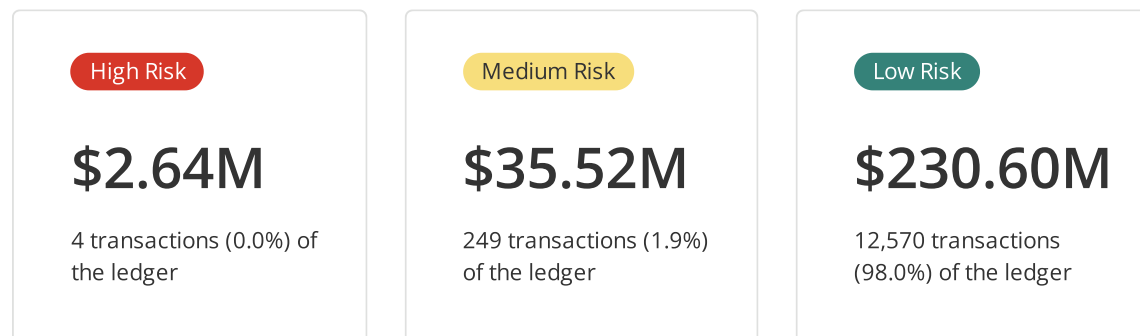
Machine learning:

- Rare Flow, Outlier Anomaly, Expert Score, Flow Analysis.

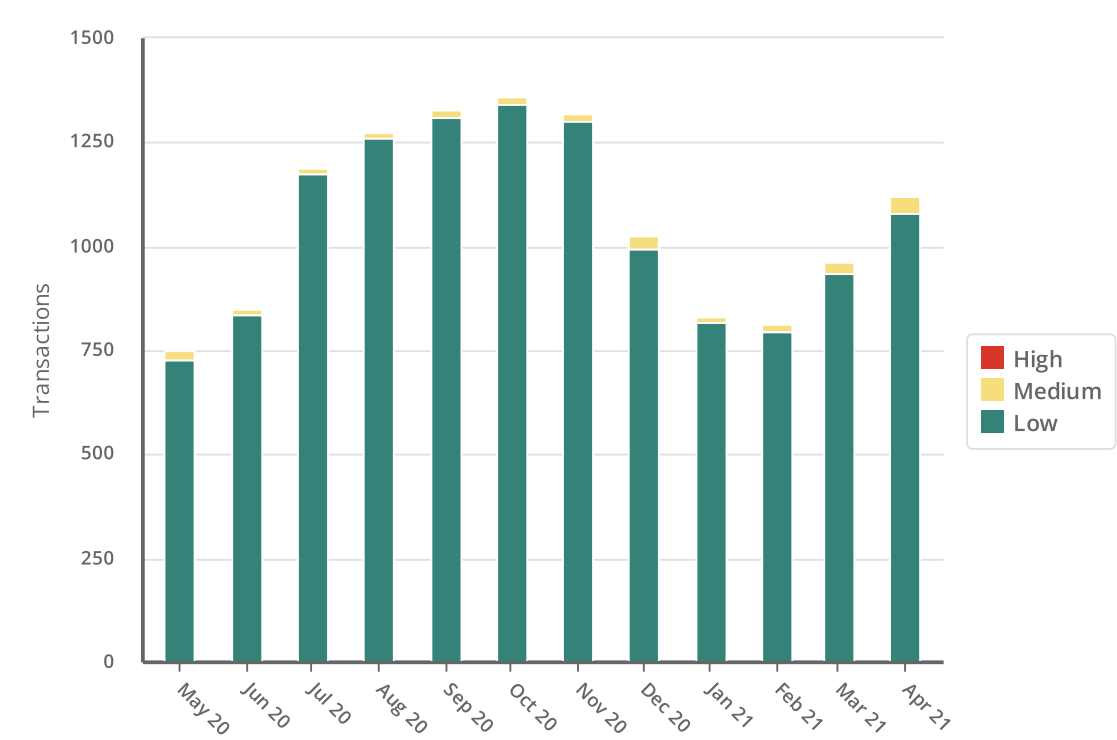
## MindBridge Results

### Overall Transaction-Level Risk Summary

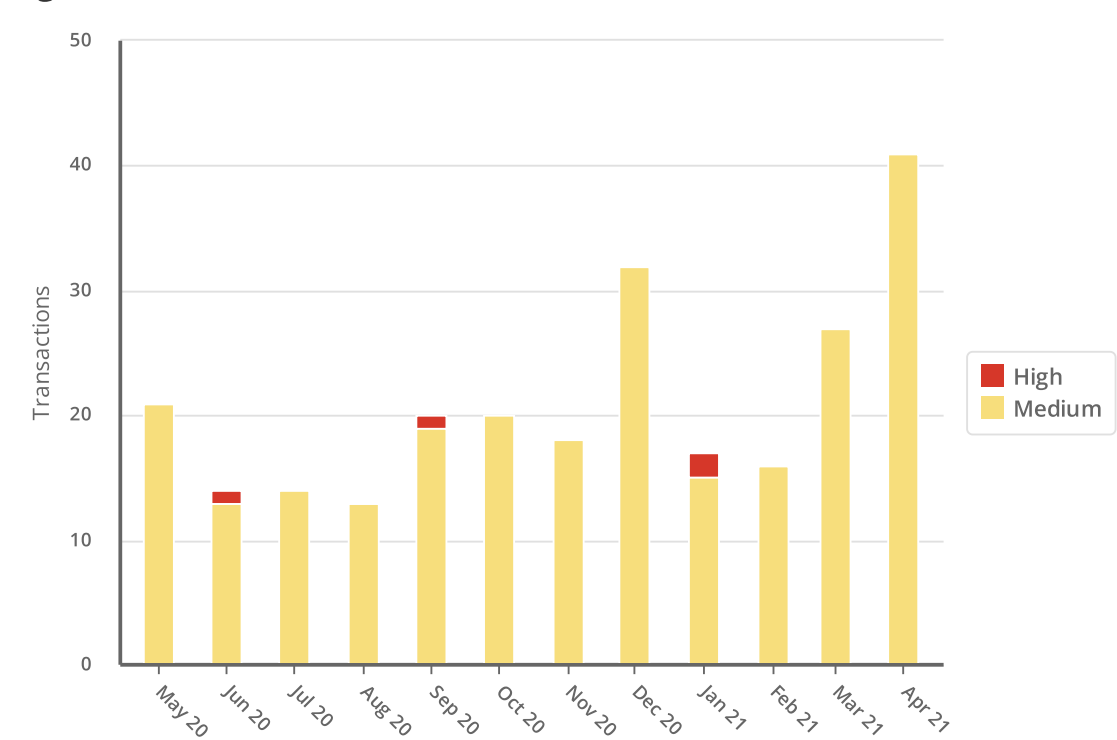
MindBridge classifies risk into three distinct categories: High, Medium and Low Risk:



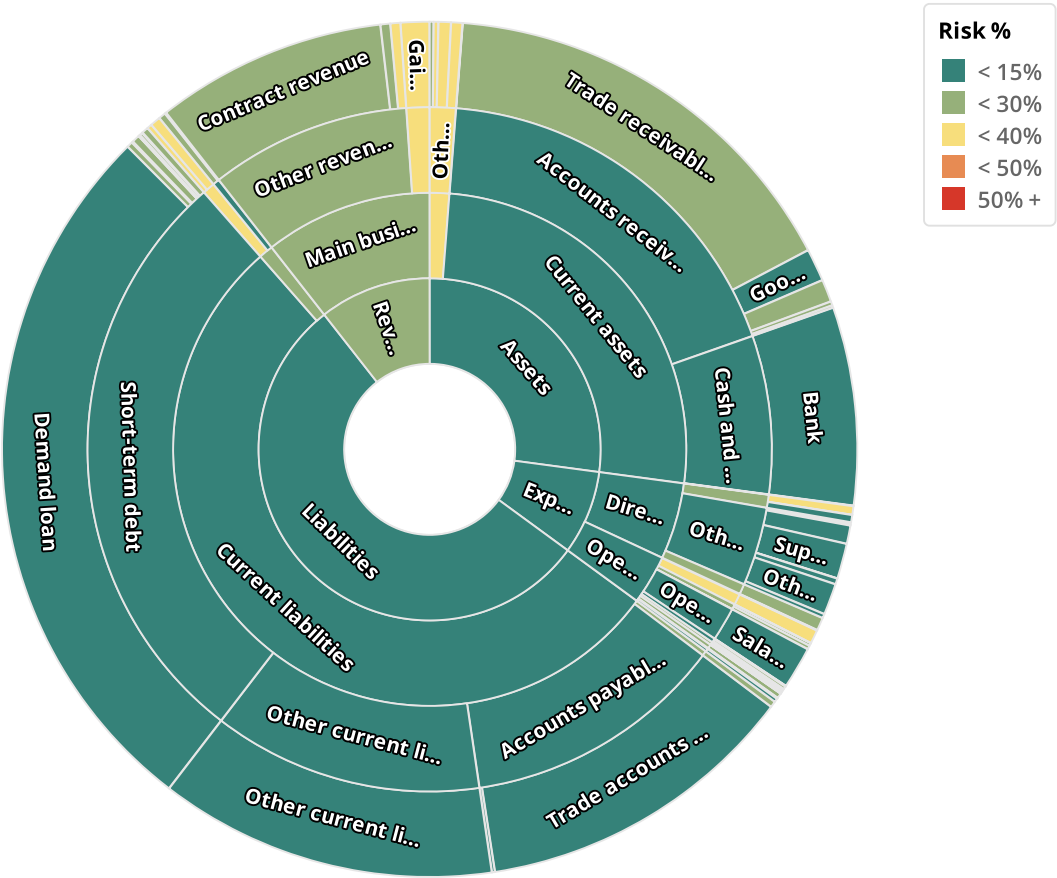
Transaction Risk Over Time:



High and Medium Risk Transactions Over Time:



Risk Breakdown by Financial Statement Area



## **APPENDIX B - INDEPENDENCE COMMUNICATION**

**(SEE ATTACHED)**

## MNP LLP – Wherever Business Takes You

Assurance › Consulting › Tax

### About MNP LLP

MNP is a leading national accounting, tax and business consulting firm in Canada. We proudly serve and respond to the needs of our clients in the public, private and not-for-profit sectors. Through partner-led engagements, we provide a collaborative, cost-effective approach to doing business and personalized strategies to help organizations succeed across the country and around the world.



November 5, 2021

Mr. David Howells  
RBee Aggregate Consulting Ltd.  
Box 1110  
Gibbons, AB T0A 1N0

Dear Mr. Howells:

**Re: Recommendations arising from the audit of the 2021 financial statements**

During the course of our audit of the financial statements of the RBee Aggregate Consulting Ltd. (the "Company") for the year ended April 30, 2021, we identified some matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit is not specifically designed to identify all matters that may be of interest to management in discharging its responsibilities. In addition, an audit cannot be expected to disclose all material fraud, or errors and other irregularities, and it is not designed to express an opinion as to whether the systems of internal control established by management have been properly designed or have been operating effectively.

As a result of our observations, we have outlined several recommendations for improvements in your internal controls and accounting processes. Additional minor matters were also discussed verbally with your staff.

## MATTERS FROM THE PRIOR YEAR AUDIT

### MANUAL JOURNAL ENTRY APPROVAL – OUTSTANDING

#### OBSERVATION AND POSSIBLE EFFECT

It was noted that not all manual journal entries are being reviewed and approved by management subsequent to preparation by the bookkeeper. During the audit we noted that amortization accruals recorded at year end were posted to the general ledger however management noted the balances did not appear reasonable, highlighting the absence of appropriate reviews of manual adjustments.

Without proper reviews, there is a risk that mistakes may be made and not caught, or that intentional / fraudulent misstatements in the financial statements would not be identified.

#### UPDATE FOR 2021 AND RECOMMENDATION

We recommend an independent review process be put in place to review manual adjustments at least on a periodic basis to ensure accurate financial reporting for the Company; and that the date and by whom the review is completed be documented.

## CAPITAL ASSET CONTINUITY - OUTSTANDING

### OBSERVATION AND POSSIBLE EFFECT

During the 2018 audit, it was noted that a detailed capital asset continuity schedule is not maintained by the Company. Without tracking capital assets *on a per item basis*, there is a risk that disposals will not be accurately reflected, or that amortization will be taken in excess of an asset's cost.

### UPDATE FOR 2021 AND RECOMMENDATION

Individual assets were identified in an asset listing, but the related amortization continues to be completed using a pool basis during the year. While assets are individually listed, using the pool basis for amortization, enhances the chances of error at the point of disposal as each disposal must be separately analyzed to recalculate carrying value and related gains or losses. We continue to recommend that a full capital asset continuity schedule is created which outlines the original cost and accumulated amortization of each individual asset.

## GST PAYMENTS - RESOLVED

### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that a number of payments and receipts relating to the Company's monthly GST returns were not cleared from accounts payable. Further, a number of payments and receipts were recorded to the GST paid account and not allocated appropriately between the GST collected and GST paid accounts. This resulted in inaccurate GST paid and GST collected balances at year-end which did not agree to the balance as reported by the CRA.

This can lead to uncertainty as to the balance outstanding with CRA, leading to significant penalties and interest being levied, which did occur during fiscal 2020.

### UPDATE FOR 2021 AND RECOMMENDATION

During the audit it was noted that the outstanding balance for the month of April 2021 was allocated to the GST collected and GST payable accounts appropriately. It appears that with the assistance of BDO that adjustments were being made appropriately in fiscal 2021.

However, MNP identified that several periods of GST amounts were adjusted to outstanding cheques at year-end. Per discussions with Coleen Benesocky, Bookkeeper, the cheques became stale and were reversed in fiscal 2022 due to the cheque not being received by the CRA. This resulted in MNP proposing an adjusting entry to reverse the outstanding cheque back to GST payable this year totaling \$611,631. Prior to MNP's reclassifying journal entry it was noted that the outstanding balance at year-end was allocated appropriately, MNP considers this matter resolved.

*It is important to note that as a result of the outstanding cheque not being received by the CRA, interest and penalties were recorded again in fiscal 2021.*

## GST ITCs - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that significant variances arose between the monthly GST paid and GST collected accounts in the general ledger compared to the amount reported in the monthly GST return. This could result in under-remitted GST, potentially resulting in penalties and interest once resolved, or the Company receiving a smaller refund than it is entitled to.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit it was noted that variances arose between the GST paid and GST collected accounts in the general ledger compared to the amounts reports in the GST returns. Per review of the reconciliation provided by BDO, Rbee was over-remitting on its GST returns to make up for under-allocated ITCs from prior periods.

Expectation is now that Rbee has caught up on its under-reported ITCs, variances will be minimal in future periods. MNP continues to recommend that amounts reported on GST returns be reconciled to the general ledger activity for the applicable period.

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### OBSERVATION AND POSSIBLE EFFECT

We also noted in the prior year audit that certain transactions recorded by RBee were actually invoiced to related parties. GST ITCs are to be claimed by the entity invoiced for the goods or services provided, and as such, upon a review by CRA, these ITCs can be denied, resulting in GST payable by Rbee.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the performance of audit procedures MNP did not note any related party invoices that Rbee paid for which it was not directly invoiced. The recommendation appears to be addressed.

## EMPLOYER PORTION OF EMPLOYEE DEDUCTIONS AND WCB - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that account 2161 Employee deductions payable and account 2230 WCB payable were not properly used as clearing accounts. The employer payable portion was accrued within these accounts, but the accounts were not subsequently cleared when payments were made. This resulted in an overstatement of employee deductions payable and WCB payable, and an understatement of wage expense. This results in both inaccurate financial reporting on a monthly basis and could lead to confusion as to what amount is actually payable for these liabilities.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit MNP noted that WCB payable and employee deductions payable balances due at year-end were cleared subsequent to year-end appropriately from accounts payable. This recommendation is considered addressed.

## CAPITAL LEASE BALANCES - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

During the 2020 audit, it was noted that all Komatsu capital lease balances did not agree to their corresponding amortization schedule from Komatsu. This resulted in an understatement of lease liabilities and an understatement of interest expense.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit MNP noted that the lease liabilities agreed to the corresponding Komatsu amortization schedules. This recommendation is considered addressed.

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### OBSERVATION AND POSSIBLE EFFECT

It was also noted that interest was not recorded on a majority of the Komatsu capital leases. Further, payments made by a related party were not recorded in the general ledger. This resulted in an inaccurate reporting of Komatsu loan balances at year-end, an understatement of liabilities, and an understatement of interest on long-term debt expense.

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### UPDATE FOR 2021 AND RECOMMENDATION

During the audit MNP noted that the lease liabilities agreed to the corresponding Komatsu amortization schedules and that all payments were recorded in the general ledger. This recommendation is considered addressed.

## VISA EXPENSES - RESOLVED

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### OBSERVATION AND POSSIBLE EFFECT

We noted that the allocation of Visa payments to general ledger accounts were not supported by documentation or the corresponding invoices. This resulted in a delay in obtaining corresponding supporting documentation for Visa payments during audit testing, which constituted a material volume of transactions during the year. A lack of support for Visa transactions could result in expenses or ITCs being denied upon a review by CRA.

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### RECOMMENDATION

During the audit delays in obtaining supporting documentation for visa payments were not encountered. This recommendation is considered addressed.

## MATTERS FROM THE CURRENT YEAR AUDIT

### PRIOR PERIOD GST PAYABLE AND EMPLOYEE DEDUCTIONS PAYABLE

#### OBSERVATION AND POSSIBLE EFFECT

During the audit MNP noted that prior period GST payable and employee deductions payable balances owing to the CRA have not been paid. This has resulted in Rbee accruing interest and penalties throughout the year and the outstanding balance growing to significant payable balances at year-end.

Payroll remittances is an area that CRA pursues collection for aggressively. If employee remittances are not paid by the company, the **directors** of the company are **personally** liable for these deductions. As at April 30, 2021, the amount payable to CRA is \$1,975,385. As at the date of this letter, the amount is still outstanding per CRA, and interest and penalties are accruing on this daily, thus increasing the liability outstanding.

#### RECOMMENDATION

MNP recommends that Rbee pay its GST payable and employee deductions payable balances as soon as possible to decrease the risk that CRA will take aggressive action to collect these balances. Going forward, we recommend paying amounts owing to CRA on-time to avoid accruing additional interest and penalties. In addition, the growing liability can have a significant negative impact on the management of Rbee's cash flow, as interest and penalties hinder the ability to pay other liabilities in a timely manner.

### TRACKING USER ACTIVITY IN ACCOUNTING SYSTEM

#### OBSERVATION AND POSSIBLE EFFECT

During the audit MNP noted that the majority of journal entries early in the fiscal year were made by the user "*sysadmin*" instead of an identifiable user. This can make it difficult to identify who posts and makes changes in the accounting system and limits the effectiveness of the internal controls implemented. When identifiable users are added, not only does it track who is making postings/changes, but it can also restrict what different users are authorized to access or change (e.g. changing vendor or payroll details), allowing management to implement stronger segregation of duties.

#### RECOMMENDATION

MNP noted that closer to year-end entries were made by identifiable users and recommends that this practice continue in the future. Each user should have their own password that is not shared with anyone to ensure nobody has unauthorized access to the financial records.

### HOLDBACKS RECEIVABLE

#### OBSERVATION AND POSSIBLE EFFECT

Holdbacks are a common practice in your industry, and some projects can occur over long periods of time, allowing for these holdbacks to age for periods much longer than 90 days. During the holdbacks receivable testing it was identified that a significant amount of holdbacks aged greater than a year, many of which were from 2018. Upon further analysis, some of the projects had not been active for years and no other projects with the customer had been initiated since the original holdback date.

It appears that moving balances between holdbacks receivable and general accounts receivable occur through posting non-cash “receipt” or “invoice” transactions, which alter the true transaction date for the initiation of the holdback. In addition, at times holdbacks have been re-invoiced and re-recorded as revenue, creating an overstatement of revenues and receivables that were not corrected prior to the audit. Holdbacks receivable which were recorded incorrectly or in duplicate, and no longer represent a balance due to RBee, need to be reversed or written off. As part of the 2021 audit, \$1.37M of holdbacks receivable were adjusted / reversed

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## RECOMMENDATION

MNP recommends that holdbacks receivables should be reviewed at the end of each project or at least semi-annually. When a project is finished, a final release of the holdback should be subsequently followed up for collection. In addition, the holdback listing should be reviewed monthly to ensure balances still reflect active projects, or balances being actively collected. MNP recommends that a policy be implemented to assist management in estimating how long a holdback is considered to be collectable and create a process to which regular follow ups, as well as documentation on those follow ups, are completed to assist in the collectability of these significant amounts.

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## REVIEW OF BANK RECONCILIATION

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### OBSERVATION AND POSSIBLE EFFECT

During the audit and during conversation with Coleen Benesocky it was noted that bank reconciliations are prepared but no review process in place to ensure adjustments being made to the bank accounts are appropriate. There is potential for misstatement in the outstanding cheque and outstanding deposit balances that ultimately ties to the general ledger.

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### RECOMMENDATION

MNP recommends that an independent review by a financially literate team member be performed on bank reconciliations each month with date and signature noted indicating that the review has been completed.

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## MANAGEMENT SALARY LETTERS

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### OBSERVATION AND POSSIBLE EFFECT

During the performance of audit procedures surrounding payroll, we noted that there was no employment salary letter kept in the records for Marla Howells. Upon further discussion with Coleen Benesocky, it was noted employment letters are not prepared for management employees. This increases the risk that employees are not being paid correctly and increases the risk of liability to Rbee should the employee leave under contentious circumstances.

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### RECOMMENDATION

MNP recommends that employee records be maintained for all employees including management employees that include the employment letter with agreed upon salary and employment terms signed by both parties.

## CUT-OFF OF EXPENDITURES

### OBSERVATION AND POSSIBLE EFFECT

During the performance of audit procedures surrounding accounts payable it was noted that several invoices from DLA Piper relating to the fiscal 2021 year were not recorded until the 2022 year-end. Per discussion with Coleen Benesocky, the reason was that the year-end had been closed in the accounting system. As a result, accounts payables were understated, and expenses were understated. The total amount was significant and it was corrected in the current year financial statements.

### RECOMMENDATION

MNP recommends that a review be completed of all invoices received subsequent to year end. The accounting system should remain open for a reasonable time-frame (consider two months) to ensure invoices received subsequent to year-end can be captured in the correct period.

## BUDGETING

### OBSERVATION AND POSSIBLE EFFECT

It was identified during the audit that a budget had not been reviewed and formally approved by the shareholders for either the 2021 or 2022 year. Budgeting is an integral part of the business and control process. It allows a Company to determine where they could potentially cut costs, if more projects are required to drive revenues, to compare to actual results to determine if there is are suspicious trends or items that require investigation.

### RECOMMENDATION

MNP recommends that a budget is prepared by the finance team, then reviewed and approved by the shareholders. In addition, a locked or pdf'd copy should be retained as the final approved budget to use for comparison to actual financial information.

## APPROVAL FOR BAD DEBT WRITE-OFFS

### OBSERVATION AND POSSIBLE EFFECT

During our review of internal controls it was identified that an accounts receivable was written off, but there was no supporting email or documentation from leadership directing the entry to be made or reviewing the entry. Documentation should be maintained to support all journal entries and write-offs as these are areas that are subject to manipulation.

### RECOMMENDATION

We recommend that all journal entries and write offs have attached documentation and be reviewed by management.

## USEFUL LIFE OF ASSETS ESTIMATE

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### OBSERVATION AND POSSIBLE EFFECT

During the audit MNP noted that there was a significant loss on the disposal of property and equipment in fiscal 2021. The total NBV of assets disposed of were significantly lower than the proceeds of sale. Although in prior years the gain(loss) on the disposal of assets has been close to break-even, this may indicate that the estimated useful life of assets impacting amortization rates are not appropriate.

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### RECOMMENDATION

MNP recommends that management assess whether the amortization rates taken on its property and equipment are too low based on the results of recent disposals.

We discussed these recommendations with management and received their comments thereon. We would like to express our appreciation for the co-operation and assistance which we received during the course of our audit from all of RBee Aggregate Consulting Ltd.'s staff.

We would be pleased to discuss with you further any matters mentioned in this report at your convenience. This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to any third party who uses this communication.

Yours truly,



**MNP LLP**

DLG/pd

# APPENDIX “I”

The CRA Notice



Summerside PE C1N 5Z7

000002842

RBEE Aggregate Consulting Ltd.  
FTI CONSULTING CANADA INC.  
1610 - 520 5 AVE SW  
CALGARY AB T2P 3R7

## Notice details

**Account number** 78884 2680 RP0001

**Date issued** Mar 28, 2022

## Notice of arrears

This is your notice of arrears for RBEE Aggregate Consulting Ltd.. Go to the **Arrears details** section for more information.

Please pay the balance shown on this notice.

Thank you,

Bob Hamilton  
Commissioner of Revenue

### Account balance

You have a debit balance.

**Balance:** \$2,360,984.87

### Payment options

You can pay:

- online
- by mail to CRA

For more information, go to the **How do you pay?** section of this notice.

RBEE Aggregate Consulting Ltd.  
 FTI CONSULTING CANADA INC.  
 1610 - 520 5 AVE SW  
 CALGARY AB T2P 3R7

## Notice details

<b>Account number</b>	78884 2680 RP0001
<b>Date issued</b>	Mar 28, 2022

## Arrears Details

The summary table shows your previous arrears account balance, your payment and your new arrears account balance.

### Summary

Description	\$ Amount	CR/DR
Previous arrears account balance	2,358,340.47	DR
Amount assessed	0.00	
Federal tax	0.00	
Provincial tax	0.00	
Canada Pension Plan	0.00	
Employment insurance	0.00	
Penalty	0.00	
Interest	6,791.30	DR
Payment	<u>4,146.90</u>	CR
<b>Balance</b>	<b>2,360,984.87</b>	<b>DR</b>

### Explanation of changes and other important information

Thank you for your payment. If this payment is not the full amount you owe, please pay the balance shown on this notice right away. If you do not, we may have to take legal action without further notice. If you paid or made arrangements to pay the full amount, please disregard this notice.

## More information

If you need more information, go to **canada.ca/payroll** or call the business enquiries line at **1-800-959-5525**.

To access and manage your payroll account, go to **canada.ca/my-cra-business-account**. Authorized employees or representatives can access accounts online on behalf of their employer or clients. To log in or register, go to **canada.ca/taxes-representatives**.

## Definitions

For arrears account balances, a **debit** (DR) increases your amount owing and a **credit** (CR) decreases your amount owing.

## Help for persons with hearing, speech or visual impairments

You can get this notice in braille, large print, electronic text or audio format. For more information about other formats, go to **canada.ca/cra-multiple-formats**.

If you use a teletypewriter, you can get tax information by calling **1-800-665-0354**.

## How do you pay?

- online or by phone using a Canadian financial institution's services
- online at **canada.ca/cra-my-payment**
- online by setting up a pre-authorized debit agreement at **canada.ca/my-cra-business-account**
- in person at your Canadian financial institution or, for a fee, at a Canada Post retail outlet (cash or debit only)

For more information on how to make a payment, go to **canada.ca/payments**.

If you cannot pay in full and you would like more information, go to **canada.ca/cra-collections**. To discuss a payment arrangement, call us at **1-877-548-6016**, Monday to Friday (except holidays) from 7:00 a.m. to 11:00 p.m. Eastern time.

## Fraudulent communications (scams)

The CRA is committed to protecting the personal information of taxpayers and benefit recipients. We will never ask you to give us personal information of any kind by email, text message, or by clicking on a link. Nor will we ask you to pay your balance through the use of a pre-paid credit card. For more information about how to recognize scams and protect yourself, go to **canada.ca/taxes-security**.





Canada Revenue  
Agency

Agence du revenu  
du Canada

Page 5

0008508

Summerside PE C1N 5Z7

## Notice details

Account number 78884 2680 RP0001

Date issued Mar 28, 2022

RBEE Aggregate Consulting Ltd.  
FTI CONSULTING CANADA INC.  
1610 - 520 5 AVE SW  
CALGARY AB T2P 3R7

PD7D(AR) E (17)X



Canada Revenue  
Agency

Agence du revenu  
du Canada

Source Deductions Arrears Remittance Voucher  
Pay online or at your financial institution



Protected B  
when completed  
PD7D(AR) E (17)X

Summerside PE C1N 5Z7  
1231

Account Number

04

78884 2680 RP0001

Amount Paid

RBEE Aggregate Consulting Ltd.  
FTI CONSULTING CANADA INC.  
1610 - 520 5 AVE SW  
CALGARY AB T2P 3R7

0622080004000000788842680RP00010000000000000000000622085

Amount of payment

Teller's stamp

Personal information is collected under the *Income Tax Act* (ITA) and is used to verify compliance with obligations related to withholding, remitting, reporting and filing. It may also be used for any other purpose as authorized by the ITA. It may be shared or verified with other federal, provincial/territorial government institutions in accordance with sharing agreements. A refusal to provide the information may result in penalties, interest payable or other actions. Personal information is described in CRA PPU 120 and is protected under the *Privacy Act*. Individuals have a right of protection, access to and correction or notation of their personal information and to file a complaint with the Privacy Commissioner of Canada regarding our handling of their information.

Teller's stamp

CANADA REVENUE AGENCY  
PO BOX 3800 STN A  
SUDBURY ON P3A 0C3

We will charge you a fee for any dishonoured payment.

**Do not** fold this voucher or use staples, paper clips, or tape.

Use this remittance voucher, not a photocopy.

**Do not** send us cash.

# APPENDIX “J”

The CRA Proof of Claim

Canada Revenue  
AgencyAgence du revenu  
du CanadaTax Services Office  
Edmonton AB T5J 4C8

August 09, 2022

FTI CONSULTING CANADA INC.  
1610, 520 - 5 AVE SW  
CALGARY AB T2P 3R7

Dear Sir/Madam:

Re: RBEE Aggregate Consulting Ltd.  
of the City of Gibbons  
in the Province of Alberta  
Date of the bankruptcy: May 18, 2022Please find enclosed our claim and supporting schedule in the  
above-noted insolvency event for the amount of \$3,009,889.42.Issue dividend payment directly to the Receiver General quoting  
the account number shown on the schedule.Please send individual, corporate and payroll dividend payments  
to:Canada Revenue Agency  
PO BOX 3800 STN A  
Sudbury ON P3A 0C3Please send goods and services tax/harmonized sales tax (GST/HST)  
remittances, including dividend payments to the applicable  
tax centre (shown on your client's GST/HST return).If you need more information about this claim, such as a more  
detailed breakdown of the debt, please contact the undersigned at  
one of the telephone numbers provided in this letter.

Yours truly,

A.J. LaRocque (1225)  
Resource/Complex Case Officer

Enclosure(s)

National Insolvency Office  
10 - 9700 Jasper Ave NW  
Edmonton AB T5J 4C8Local : 587-337-5994  
Toll Free : 1-833-942-3096  
Fax : 833-697-2389  
Web site : canada.ca/taxes

## ATTACHMENT PAGE 1

Proof of Claim (Form 31)  
(Sections 50.1, 81.5, 81.6, subsections 65.2(4), 81.2(1), 81.3(8),  
81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e)  
and 66.14(b) of the Act)

Send all notices or correspondence regarding this claim to the following address:

Canada Revenue Agency  
Surrey National Verification and Collection Centre  
Insolvency Intake Centre  
Collections Directorate  
9755 King George Blvd  
Surrey BC V3T 5E1

National Insolvency Office  
10 - 9700 Jasper Ave NW  
Edmonton AB T5J 4C8

Attention: A.J. LaRocque (1225)

In the matter of the bankruptcy of RBEE Aggregate Consulting Ltd. of the City of Gibbons in the Province of Alberta, and the claim of Her Majesty the Queen in Right of Canada as represented by the Minister of National Revenue, creditor.

I, A.J. LaRocque (1225), of the City of Edmonton in the Province of Alberta, do hereby certify:

1. That I am a resource officer/complex case officer of the Canada Revenue Agency.
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of the bankruptcy namely the May 18, 2022, and still is, indebted to the creditor in the sum of \$3,009,889.42, as specified in the statement of account attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled.
4. (X) UNSECURED CLAIM of \$1,341,655.11. That in respect of this debt, I do not hold any assets of the debtor as security.

(X) PROPERTY CLAIM of \$1,668,234.31.

That property holding a value equal to the debt enumerated in the Schedule "A" was in possession of the debtor and still remains in

## ATTACHMENT PAGE 2

the possession of the debtor and (or) the trustee. The claimant hereby claims an interest in all assets of the debtor up to the value of the property claim shown. The claimant is entitled to demand from the trustee the return of the property.

5. That, to the best of my knowledge, the above-named creditor is not related to the debtor within the meaning of section 4 of the Act, and has not dealt with the debtor in a non-arm's length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to the debtor within the three months immediately before the date of the initial bankruptcy event within the meaning of section 2 of the Act.

None.

Sworn before me at the City of Edmonton in the Province of Alberta, on August 9, 2022.

.....  
Commissioner for Oaths

.....  
Signature of Claimant

Christina Tams, a Commissioner for Oaths  
in and for the Province of Alberta.  
My Commission expires the 18 day of March 2023  
Debora Christina Tams, commissaire aux serments  
dans et pour la province de l'Alberta.  
Ma commission expire le 18 mars 2023

## ATTACHMENT PAGE 3

## Schedule "A"

Name: RBEE Aggregate Consulting Ltd.

## Unsecured claim

Income Tax Act  
(relating to payroll deductions for non deemed trust)

Account number: 680 RP0001

Assessed period(s): 2020, 2021

Principal: \$178,270.48

Penalty and interest: \$429,397.36

Total: \$607,667.84

Excise Tax Act

Account number: 680 RT0001

Assessed period(s): 20/08/01 - 20/08/31; 20/09/01 - 20/09/30  
20/10/01 - 20/10/31; 20/11/01 - 20/11/30  
21/05/01 - 21/05/31; 21/06/01 - 21/06/30  
22/03/01 - 22/03/10

Principal: \$706,927.56

Penalty and interest: \$27,059.71

Total: \$733,987.27

Total Unsecured claim \$1,341,655.11

## Property claim

Income Tax Act  
(relating to payroll deductions for deemed trust)

Account number: 680 RP0001

Assessed period(s): 2020

Principal: \$1,668,234.31

Total: \$1,668,234.31


Total Property claim	\$1,668,234.31
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↓  
Agrees to approved  
Interim distribution amount  
+ letter rec'd Mar 18/22

## ATTACHMENT PAGE 4

Sworn before me at the City of Edmonton in the province of  
Alberta, on August 9, 2022.

  
.....  
Commissioner for Oaths

  
.....  
Signature of Claimant

Debora Christina Tams, a Commissioner for Oaths  
in and for the Province of Alberta.  
My Commission expires the 18 day of March 2023  
Debora Christina Tams, commissaire aux serments  
dans et pour la province de l'Alberta.  
Ma commission expire le 18 mars 2023