



October 19, 2020

The Generation Corporation
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1 403 342 5541
F +1 403 347 3766

Attention: James Foley

Dear James:

Re: The Generation Corporation

You have requested that we compile the financial statements of The Generation Corporation (the Company), which comprise the balance sheet as of July 31, 2020, the related statements of income and retained earnings for the year then ending, (collectively, the financial statements), and perform a compilation engagement with respect to those financial statements. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

As agreed, we will compile financial statements in accordance with the standards applicable to compilation engagements for the year ending July 31, 2020. We will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

On the basis of information provided by management, we have compiled the balance sheet of The Generation Corporation as July 31, 2020, and the related statements of income and retained earnings, for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Since we are accepting this engagement as accountant, not as auditor, we request that you do not record this as an auditing engagement in the minutes of your shareholders' meetings. Our services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

1. the Company will provide us with accurate and complete information necessary to compile the financial statements;
2. the responsibility for the accuracy and completeness of the representations in the financial statements remains with the Company;
3. each page of the financial statements will be conspicuously marked as "Unaudited — See Notice to Reader";
4. you will attach our Notice to Reader when distributing the financial statements to third parties;

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5. the financial statements may either lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, and may not be appropriate for general purpose use; and
6. uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

The engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. We wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Because RSM Alberta LLP ("RSM") will rely on the Company and its management and Shareholders to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company's management that has caused, in any respect, RSM's breach of contract or negligence. Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due to our negligence.

This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our compilation, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.

Fees and disbursements (if any) will be billed to you on an interim basis as the work is performed or upon completion of the work and will be due and payable upon presentation of our invoices. Applicable taxes will be charged in addition to fees, costs and disbursements. Invoices unpaid 45 days past the billing date will be deemed delinquent, and are subject to an interest charge of 12% per annum.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for

the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

The Generation Corporation and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of The Generation Corporation arising from this engagement is limited to the amount of fees paid by The Generation Corporation to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of The Generation Corporation proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. The Generation Corporation agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of The Generation Corporation information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein and to perform a compilation engagement with respect to those same financial statements and our respective responsibilities.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Company:

James Foley

Date



October 19, 2020

The Generation Corporation
4207 53 Street Close
Innisfail AB T4G 1P9

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- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due to our negligence.

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In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for

the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

The Generation Corporation and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of The Generation Corporation arising from this engagement is limited to the amount of fees paid by The Generation Corporation to RSM for the services rendered under this arrangement letter.

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RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

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Electronic Signatures and Counterparts

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Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein and to perform a compilation engagement with respect to those same financial statements and our respective responsibilities.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Company:

James Foley

Date

The Generation Corporation
Year End: July 31, 2020
Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/30/2020	KC 11/2/2020	MS 11/3/2020	

8001

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg %	Chg
1040 TD Chequing Acct	(5,411.36)	0.00	28,077.43	22,666.07	35.81	22,630.26	3195	
5000 Cash and cash equivalents	(5,411.36)	0.00	28,077.43	22,666.07	35.81	22,630.26	3195	
1650 Investment in Generation Stee	10.00	0.00	0.00	10.00	10.00	0.00	0	
1660 Investment in GWSS	10.00	0.00	0.00	10.00	10.00	0.00	0	
5100 Investments	20.00	0.00	0.00	20.00	20.00	0.00	0	
1880 Land	275,947.20	0.00	0.00	275,947.20	275,947.20	0.00	0	
5500 Land	275,947.20	0.00	0.00	275,947.20	275,947.20	0.00	0	
1860 Building - 4207 53 St Cl	3,488,376.53	0.00	0.00	3,488,376.53	3,488,376.53	0.00	0	
5500.101 Building	3,488,376.53	0.00	0.00	3,488,376.53	3,488,376.53	0.00	0	
1865 Accum. Amort. -Building 4207	(596,896.90)	0.00	0.00	(596,896.90)	(537,892.90)	(59,004.00)	11	
5500.102 Building-accum amort	(596,896.90)	0.00	0.00	(596,896.90)	(537,892.90)	(59,004.00)	11	
1855 Equipment	40,000.00	0.00	0.00	40,000.00	40,000.00	0.00	0	
5500.201 Equipment	40,000.00	0.00	0.00	40,000.00	40,000.00	0.00	0	
1856 Accum. Amort. Equipment	(28,858.66)	0.00	0.00	(28,858.66)	(27,622.66)	(1,236.00)	4	
5500.202 Equipment-accum amo	(28,858.66)	0.00	0.00	(28,858.66)	(27,622.66)	(1,236.00)	4	
2645 Due To/From Ellis Fabrications	2,076,760.39	20,357.06	0.00	2,097,117.45	2,152,842.39	(55,724.94)	(3)	
5600.301 Due to/from Ellis Fabric	2,076,760.39	20,357.06	0.00	2,097,117.45	2,152,842.39	(55,724.94)	(3)	
2680 Due To/From Generation Stee	351,773.90	0.00	0.00	351,773.90	226,273.90	125,500.00	55	
5600.303 Due to/from Generation	351,773.90	0.00	0.00	351,773.90	226,273.90	125,500.00	55	
2100 Accounts Payable	(55,288.59)	0.00	0.00	(55,288.59)	(2,149.88)	(53,138.71)	2472	
2125 Accrued Professional Fees	0.00	(7,657.60)	0.00	(7,657.60)	(4,000.00)	(3,657.60)	91	
6100 Accounts payable	(55,288.59)	(7,657.60)	0.00	(62,946.19)	(6,149.88)	(56,796.31)	924	
2310 GST/HST Charged on Sales	0.00	(21,750.00)	(29,250.00)	(51,000.00)	(25,500.00)	(25,500.00)	100	
2315 GST/HST Paid on Purchases	0.00	0.00	1,172.57	1,172.57	1,172.57	0.00	0	
6102 GST	0.00	(21,750.00)	(28,077.43)	(49,827.43)	(24,327.43)	(25,500.00)	105	
2190 Federal Income Tax Payable	0.00	(7,000.00)	0.00	(7,000.00)	0.00	(7,000.00)	0	
6150 Income taxes payable	0.00	(7,000.00)	0.00	(7,000.00)	0.00	(7,000.00)	0	
2490 Current Portion of Mortgage	0.00	(164,950.89)	0.00	(164,950.89)	(164,950.89)	0.00	0	
6601 Current portion of long-term	0.00	(164,950.89)	0.00	(164,950.89)	(164,950.89)	0.00	0	
2495 Less: Current Portion of Mortg	0.00	164,950.89	0.00	164,950.89	164,950.89	0.00	0	
2625 TD Mortgage Payable	(5,349,403.01)	(125,339.64)	0.00	(5,474,742.65)	(5,475,356.49)	613.84	0	
6602 Long-term debt	(5,349,403.01)	39,611.25	0.00	(5,309,791.76)	(5,310,405.60)	613.84	0	
2670 Due To/From GWSS	(97,428.62)	(38,000.00)	0.00	(135,428.62)	(97,148.62)	(38,280.00)	39	
6801 Due to/from GroundWorks	(97,428.62)	(38,000.00)	0.00	(135,428.62)	(97,148.62)	(38,280.00)	39	
2820 Due To/From Jim Foley	(58,975.00)	110,000.00	0.00	51,025.00	(118,975.00)	170,000.00	(143)	

The Generation Corporation
Year End: July 31, 2020
Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/30/2020	KC 11/2/2020	MS 11/3/2020	

8001-1

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount Chg	%Chg
2830 Due To/From Danielle Foley	(55,000.00)	(30,000.00)	0.00	(85,000.00)	(55,000.00)	(30,000.00)	55
6802 Due to/from shareholders	(113,975.00)	80,000.00	0.00	(33,975.00)	(173,975.00)	140,000.00	(80)
3350 Common Shares - Class A	(10.00)	0.00	0.00	(10.00)	(10.00)	0.00	0
3360 Common Shares - Class B	(10.00)	0.00	0.00	(10.00)	(10.00)	0.00	0
6900.100 Equity shares	(20.00)	0.00	0.00	(20.00)	(20.00)	0.00	0
3560 Retained Earnings - Previous	96,997.15	62,000.00	0.00	158,997.15	140,646.85	18,350.30	13
6900.400 Retained earnings	96,997.15	62,000.00	0.00	158,997.15	140,646.85	18,350.30	13
3565 Dividends	0.00	60,000.00	0.00	60,000.00	60,000.00	0.00	0
6900.500 Dividends	0.00	60,000.00	0.00	60,000.00	60,000.00	0.00	0
4420 Rent Revenue - I/C	(540,000.00)	20,000.00	0.00	(520,000.00)	(450,000.00)	(70,000.00)	16
7000 Rent Revenue	(540,000.00)	20,000.00	0.00	(520,000.00)	(450,000.00)	(70,000.00)	16
5660 Amortization Expense	60,240.00	0.00	0.00	60,240.00	61,589.16	(1,349.16)	(2)
7200.102 Amortization on Tangit	60,240.00	0.00	0.00	60,240.00	61,589.16	(1,349.16)	(2)
5685 Insurance	3,085.95	0.00	0.00	3,085.95	7,713.90	(4,627.95)	(60)
7200.103 Insurance	3,085.95	0.00	0.00	3,085.95	7,713.90	(4,627.95)	(60)
5690 Interest & Bank Charges	130.50	0.00	0.00	130.50	7,534.06	(7,403.56)	(98)
5692 Interest & Penalties Non Dedu	0.00	1,657.60	0.00	1,657.60	15,534.99	(13,877.39)	(89)
7200.104 Interest and bank charg	130.50	1,657.60	0.00	1,788.10	23,069.05	(21,280.95)	(92)
5695 Interest On Long Term Debt	342,373.66	(55,267.42)	0.00	287,106.24	235,890.22	51,216.02	22
7200.105 Interest on long term d	342,373.66	(55,267.42)	0.00	287,106.24	235,890.22	51,216.02	22
5700 Office Supplies	0.00	0.00	0.00	0.00	191.38	(191.38)	(100)
7200.107 Office expenses	0.00	0.00	0.00	0.00	191.38	(191.38)	(100)
5610 Accounting & Legal	(1,686.85)	4,000.00	0.00	2,313.15	26,863.60	(24,550.45)	(91)
7200.108 Professional fees	(1,686.85)	4,000.00	0.00	2,313.15	26,863.60	(24,550.45)	(91)
5720 Property Taxes	53,138.71	0.00	0.00	53,138.71	53,032.99	105.72	0
7200.114 Property taxes	53,138.71	0.00	0.00	53,138.71	53,032.99	105.72	0
5790 Utilities	125.00	0.00	0.00	125.00	0.00	125.00	0
7200.116 Utilities	125.00	0.00	0.00	125.00	0.00	125.00	0
5795 Income taxes	0.00	7,000.00	0.00	7,000.00	0.00	7,000.00	0
7500 Income taxes	0.00	7,000.00	0.00	7,000.00	0.00	7,000.00	0
	0.00	0.00	0.00	0.00	0.00	0.00	0
Net Income (Loss)	82,593.03			105,202.85	41,649.70	63,553.15	153

The Generation Corporation

Year End: July 31, 2020

Adjusting Journal Entries

Date: 8/1/2019 To 7/31/2020

Prepared by	Detail Review	General Review	Tax Review
SMM 10/30/2020	KC 11/2/2020	MS 11/3/2020	

8010

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	8/1/2019	Accrued Professional Fees	2125	6900 LEAD		2,000.00		
1	8/1/2019	Due To/From Jim Foley	2820	6900 LEAD		60,000.00		
1	8/1/2019	Retained Earnings - Previous Year	3560	6900 LEAD	62,000.00			
To post adjusting entry from prior year to reconcile retained earnings.								
2	7/31/2020	Due To/From Ellis Fabrications	2645	ACCT.2670	38,000.00			
2	7/31/2020	Due To/From GWSS	2670	ACCT.2670		38,000.00		
To adjust inter-company account to actual.								
3	7/31/2020	GST/HST Charged on Sales	2310	7001	916.67			
3	7/31/2020	GST/HST Charged on Sales	2310	7001		1,666.67		
3	7/31/2020	Due To/From Ellis Fabrications	2645	7001		19,250.00		
3	7/31/2020	Rent Revenue - I/C	4420	7001	20,000.00			
To adjust rent collected to actual.								
4	7/31/2020	GST/HST Charged on Sales	2310	7001		21,000.00		
4	7/31/2020	TD Mortgage Payable	2625	7001		54,281.98		
4	7/31/2020	Due To/From Ellis Fabrications	2645	7001	21,000.00			
4	7/31/2020	Due To/From Ellis Fabrications	2645	7001	54,281.98			
To adjust inter-company receivable to actual.								
5	7/31/2020	Accrued Professional Fees	2125	ACCT.2125		4,000.00		
5	7/31/2020	Accounting & Legal	5610	ACCT.2125	4,000.00			
To adjust accrual for accounting fees.								
7	7/31/2020	Current Portion of Mortgage	2490	PERM-5		164,950.89		
7	7/31/2020	Less: Current Portion of Mortgage	2495	PERM-5	164,950.89			
To record the current portion of long-term debt.								
8	7/31/2020	Due To/From Ellis Fabrications	2645	ACCT.2820		200,000.00		
8	7/31/2020	Due To/From Jim Foley	2820	ACCT.2820	200,000.00			
To reallocate shareholder loan to Ellis Fabrications.								
9	7/31/2020	TD Mortgage Payable	2625	6602, 5600.30		71,057.66		
9	7/31/2020	Due To/From Ellis Fabrications	2645	6602, 5600.30	126,325.08			
9	7/31/2020	Interest On Long Term Debt	5695	6602, 5600.30	71,057.66			
9	7/31/2020	Interest On Long Term Debt	5695	6602, 5600.30		126,325.08		
To adjust long-term debt to actual.								
10	7/31/2020	Accrued Professional Fees	2125	6103, 6104		1,657.60		
10	7/31/2020	Interest & Penalties Non Deductible	5692	6103, 6104	728.14			
10	7/31/2020	Interest & Penalties Non Deductible	5692	6103, 6104	929.46			
To accrue instalment interest for GST payments in arrears.								
11	7/31/2020	Due To/From Jim Foley	2820	ACCT.2820		30,000.00		
11	7/31/2020	Due To/From Danielle Foley	2830	ACCT.2820		30,000.00		
11	7/31/2020	Dividends	3565	ACCT.2820	60,000.00			
To declare current year dividends.								
12	7/31/2020	Federal Income Tax Payable	2190	6150		7,000.00		
12	7/31/2020	Income taxes	5795	6150	7,000.00			

The Generation Corporation

Year End: July 31, 2020
 Adjusting Journal Entries
 Date: 8/1/2019 To 7/31/2020

Prepared by	Detail Review	General Review	Tax Review
SMM 10/30/2020	KC 11/2/2020	MS 11/3/2020	

8010-1

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
		To record current year tax provision.						
					831,189.88	831,189.88		
		Net Income (Loss)	105,202.85					



CLIENT'S COPY

CLIENT: The Generation Corporation

YEAR END: July 31, 2020

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1 403 342 5541
F +1 403 347 3766

Signatures: An authorized signing officer should complete the certification section of the original copies (enclosed) of each of the following forms:

Table with 2 columns: Form, Description. Row 1: T183, Information Return for Electronic Filing

Filing The T2 is required to be filed electronically. Please return a signed T183 Information Return for Electronic Filing form to us so that we may transmit the return.

Table with 3 columns: Payment of Tax, Payable, Refund. Rows for Federal and Alberta Provincial payments.

Tax Instalments Based on your company's income for the July 31, 2020 fiscal year end, instalments for the fiscal year ended July 31, 2021 are
[] Not required [x] Required as shown on the attached schedule (subject to any payments which have been made to date)

Other Copies of the required returns and related schedules are enclosed for your records. The returns have been prepared from information and records you have supplied, and should be reviewed by you for completeness before filing.

Federal Tax Instalments

Federal tax instalments

For the taxation year ended 2021-07-31

Business number 81513 1735 RC0001

The following is a list of instalments payable for the current taxation year, and the last column indicates the instalments payable to the Canada Revenue Agency (CRA). The instalments must be paid on each of the dates indicated below, otherwise non-deductible interest might be charged.

Instalment payments can be made using one of the following methods:

- electronically, using your online or telephone banking services;
- online, using the CRA's *My Payment* service, at **canada.ca/cra-my-payment**;
- by setting up a pre-authorized debit agreement, in *My Business Account*, at **canada.ca/my-cra-business-account**;
- in person, at a Canadian financial institution, **by presenting the appropriate remittance voucher** with your payment.

You can also mail a cheque or a money order payable to the Receiver General of Canada, **accompanied by the appropriate remittance voucher**, to Canada Revenue Agency, P.O. Box 3800, Station A, Sudbury ON P3A 0C3.

Do you want to calculate the instalments according to the extended payment date (COVID-19)?*

Yes No

* The answer to this question is **Yes** when at least one of the dates entered in the **Monthly instalments workchart** or the **Quarterly instalments workchart** sections is after March 17, 2020, and before September 1, 2020.

Monthly instalment workchart

Date	Monthly tax instalments	Refund transferred to instalments	Instalments paid	Cumulative difference	Instalments payable
2020-08-31					
2020-09-30	465		0	465	
2020-10-31	465		0	930	
2020-11-30	465				1,395
2020-12-31	465				465
2021-01-31	465				465
2021-02-28	465				465
2021-03-31	465				465
2021-04-30	465				465
2021-05-31	465				465
2021-06-30	465				465
2021-07-31	462				462
Instalment (COVID-19)					
2020-09-01	465				465
Totals	5,577				5,577

T2 Corporation Income Tax Return

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 81513 1735 RC0001

Corporation's name
002 The Generation Corporation

Address of head office
Has this address changed since the last time we were notified? 010 Yes No

If yes, complete lines 011 to 018.
011 4207 53 Street Close
012

City Province, territory, or state
015 Innisfail 016 AB

Country (other than Canada) Postal or ZIP code
017 018 T4G 1P9

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? 020 Yes No

If yes, complete lines 021 to 028.
021 c/o
022
023

City Province, territory, or state
025 026

Country (other than Canada) Postal or ZIP code
027 028

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? 030 Yes No

If yes, complete lines 031 to 038.
031
032

City Province, territory, or state
035 036

Country (other than Canada) Postal or ZIP code
037 038

040 Type of corporation at the end of the tax year (tick one)
 1 Canadian-controlled private corporation (CCPC)
 2 Other private corporation
 3 Public corporation
 4 Corporation controlled by a public corporation
 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

To which tax year does this return apply?
Tax year start Year Month Day 060 2019-08-01
Tax year-end Year Month Day 061 2020-07-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes No
If yes, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes No

Is the corporation a professional corporation that is a member of a partnership? 067 Yes No

Is this the first year of filing after:
Incorporation? 070 Yes No
Amalgamation? 071 Yes No
If yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes No
If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation? 076 Yes No

Is this the final return up to dissolution? 078 Yes No

If an election was made under section 261, state the functional currency used 079

Is the corporation a resident of Canada? 080 Yes No
If no, give the country of residence on line 081 and complete and attach Schedule 97.

081
Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes No
If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:
085 1 Exempt under paragraph 149(1)(e) or (l)
 2 Exempt under paragraph 149(1)(j)
 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
 4 Exempt under other paragraphs of section 149

Do not use this area
095 096 898

Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	T 1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T 1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T 1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T 1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T 1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T 1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T 1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input checked="" type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T 2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T 2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	531120 Lessors of Non-Residential Buildings (except Mini-Warehouses)		
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Building rental	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	62,186	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331	217	
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
		^a 217	
		217	B
		61,969	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	61,969	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		61,969	Z
Taxable income for the year from a personal services business			Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income eligible for the small business deduction from Schedule 7	400	62,186	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8,			
minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	61,969	B
Business limit (see notes 1 and 2 below)	410	375,000	C

- Notes:**
- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
 - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 375,000 x **415** *** = 11,250 D = E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** - 50,000 = F

Amount C 375,000 x Amount F 100,000 = G

Subtotal (the greater of amount E and amount G) **422** H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0") **425** I

Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0") **426** 375,000 J

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5) K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) **427** L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) **428** 375,000 M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}}$ x 17.5 % = 1

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2017, and before January 1, 2019}}{\text{Number of days in the tax year}}$ x 18 % = 2

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2018}}{\text{Number of days in the tax year}}$ x 19 % = 3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least 61,969 x 19 % = 11,774 4

Small business deduction (total of amounts 1 to 4) **430** 11,774 N

Enter amount N at amount J on page 8.

- * Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

***** Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
1.	490	500	505
Total		510	515

Notes:

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula $A - B$, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	61,969	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B
Amount 13K from Part 13 of Schedule 27		C
Personal services business income	432	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	61,969	E
Aggregate investment income from line 440 on page 6*		F
Subtotal (add amounts B to F)	<u>61,969</u>	<u>61,969</u> G
Amount A minus amount G (if negative, enter "0")		H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % I
Enter amount I on line 638 on page 8.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)	J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	K
Amount 13K from Part 13 of Schedule 27	L
Personal services business income	434
Subtotal (add amounts K to M)	<u>N</u>
Amount J minus amount N (if negative, enter "0")	O

General tax reduction – Amount O multiplied by 13 % P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	440	x	$30 \frac{2}{3} \%$	=		A
Foreign non-business income tax credit from line 632 on page 8						B
Foreign investment income from Schedule 7	445	x	8 %	=		C
Subtotal (amount B minus amount C) (if negative, enter "0")						D
Amount A minus amount D (if negative, enter "0")						E
Taxable income from line 360 on page 3					61,969	F
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least						61,969 G
Foreign non-business income tax credit from line 632 on page 8		x	$\frac{75}{29}$	=		H
Foreign business income tax credit from line 636 on page 8		x	4	=		I
Subtotal (add amounts G to I)						61,969 J
Subtotal (amount F minus amount J) (if negative, enter "0")						K x $30 \frac{2}{3} \%$ =
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)						5,577 M
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least						450 N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year	460					
Dividend refund for the previous tax year	465					
Subtotal (line 460 minus line 465)						O
Refundable portion of Part I tax from line 450 above						P
Total Part IV tax payable from Schedule 3						Q
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary	480					
Subtotal (amount P plus amount Q plus line 480)						R
Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R						485

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3		x	$38 \frac{1}{3} \%$	=		S
Refundable dividend tax on hand at the end of the tax year from line 485 above						T
Dividend refund – Amount S or T, whichever is less						U
Enter amount U on line 784 on page 9.						

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (line 460 minus line 465 plus line 480)		A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)		B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)		C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D
Subtotal (amount C minus amount D) (if negative, enter "0")		E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")		F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)		G
Subtotal (amount F plus amount G)		H
Amount H multiplied by 38 1 / 3 %		I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M
Subtotal (amount L plus amount M)		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525	O
ERDTOH dividend refund for the previous tax year	570	P
Refundable portion of Part I tax (from line 450 on page 6)		Q
Part IV tax before deductions (amount 2A from Schedule 3)		R
Part IV tax allocated to ERDTOH (amount N)		S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T
Subtotal (amount R minus total of amounts S and T)		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540	V
NERDTOH dividend refund for the previous tax year	575	W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")		Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545	Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")		
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530	

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)	23,000	DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD minus amount EE (if negative, enter "0")	23,000	GG
Amount BB minus amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund* – Amount CC plus amount FF plus amount II		JJ
Enter amount JJ on line 784 on page 9.		

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 %	550	23,548	A
Additional tax on personal services business income (section 123.5)			
Taxable income from a personal services business	555	x 5 % = 560	B
Recapture of investment tax credit from Schedule 31	602		C
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)			
Aggregate investment income from line 440 on page 6			D
Taxable income from line 360 on page 3	61,969		E
Deduct:			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	61,969		F
Net amount (amount E minus amount F)			G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604		H
Subtotal (add amounts A, B, C, and H)		23,548	I
Deduct:			
Small business deduction from line 430 on page 4		11,774	J
Federal tax abatement	608	6,197	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains	624		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638		
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		17,971	K
Part I tax payable – Amount I minus amount K		5,577	L
Enter amount L on line 700 on page 9.			

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	5,577
Part II surcharge payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax 5,577

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** AB
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)
Net provincial or territorial tax payable (except Quebec and Alberta)

Total tax payable **770** 5,577 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund from amount U on page 6 or JJ on page 7	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit (Form T1131)	796
Film or video production services tax credit (Form T1177)	797
Canadian journalism labour tax credit from Schedule 58	798
Tax withheld at source	800

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840

Total credits **890** 5,577 B

Refund code **894**

Refund 5,577

Balance (amount A minus amount B) 5,577

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of \$2 or less.

Balance owing 5,577

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start Change information **910** _____
Branch number

914 _____ **918** _____
Institution number Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** S7047

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, **950** Foley Last name **951** James First name **954** Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2020-11-12 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (403) 227-1001 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes No

958 _____ Name of other authorized person **959** _____ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

990 1

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name The Generation Corporation	Business number 81513 1735 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 105,203 A

Add:

Provision for income taxes – current	101	7,000	
Interest and penalties on taxes	103	1,658	
Amortization of tangible assets	104	60,240	
Non-deductible life insurance premiums	123	3,086	
Subtotal of additions		<u>71,984</u>	<u>71,984</u>

Other additions:

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
Total of column 2		296	
		Subtotal of other additions	<u>0</u> D
		Total additions	<u>71,984</u> 71,984

Amount A plus line 500 177,187 B

Deduct:

Capital cost allowance from Schedule 8	403	110,613	
		Subtotal of deductions	<u>110,613</u> 110,613

Other deductions:

Miscellaneous other deductions:

1 Description	2 Amount		
705	395		
1 Deduction under 20(1)(e) ITA	4,388		
Total of column 2		396	4,388
		Subtotal of other deductions	<u>4,388</u> 4,388 E
		Total deductions	<u>115,001</u> 115,001

Net income (loss) for income tax purposes (amount B minus line 510) 62,186 C

Enter amount C on line 300 of the T2 return.

Deduction as per paragraph 20(1)(e) of the ITA

This workchart allows you to determine the tax deduction as per paragraph 20(1)(e) of the Income Tax Act (ITA). It relates to the expenses of issuing or selling shares, units or interests and expenses of borrowing money.

Ensure that any of these expenses deducted in the financial statements have been added back on line 216, "Financing fees deducted in books," and/or on line 235, "Share issue expense" to Schedule 1, if applicable.

* If the check box was selected, the annual deduction will be equal to the amount in column C.

1 Description: Mortgage restructuring fees							
Subparagraph 20(1)(e)(v) is applicable in the taxation year*	Date of expense	A Expense amount	B Amounts deductible in the preceding taxation years	C Balance before the annual expense (column A minus column B)	D 20 % of amount A x number of days in the taxation year 366 / 365	E Annual deduction (C or D, whichever is less)*	F Balance at the end of the year (column C minus column E)
<input type="checkbox"/>	2019-01-18	21,880	4,376	17,504	4,388	4,388	13,116
<input type="checkbox"/>	Alberta	21,880	4,376	17,504	4,388	4,388	13,116

Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation

Corporation's name The Generation Corporation	Business number 81513 1735 RC0001	Tax year-end Year Month Day 2020-07-31
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- Corporations must use this schedule to report:
 - non-taxable dividends under section 83;
 - deductible dividends under subsection 138(6);
 - taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (a.1), (b) or (d); or
 - taxable dividends paid in the tax year that qualify for a dividend refund (see page 3).
- All legislative references are to the federal Income Tax Act.
- The calculations in this schedule apply only to private or subject corporations.
- A recipient corporation is **connected** with a payer corporation at any time in a tax year, if at that time the recipient corporation:
 - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
 - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more than 10% of the fair market value of all shares of the payer corporation.
- If you need more space, continue on a separate schedule.
- File this schedule with your T2 Corporation Income Tax Return.
- Column A1 – Enter "X" if dividends were received from a foreign source.
- Column F1 – Enter the code that applies to the deductible taxable dividend.

Part 1 – Dividends received in the tax year

- Do **not** include dividends received from foreign non-affiliates.
- Complete columns B, C, D, H and I **only** if the payer corporation is **connected**.

Important instructions to follow if the payer corporation is connected

- If your corporation's tax year-end is different than that of the **connected** payer corporation, dividends could have been received from more than one tax year of the payer corporation. If so, **use a separate line** to provide the information according to each tax year of the payer corporation.
- When completing column J and K use the **special calculations provided in the notes**.

A Name of payer corporation (from which the corporation received the dividend)	A1	B Enter 1 if payer corporation is connected	C Business Number of connected corporation	D Tax year-end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends in column F were paid YYYYMMDD	E Non-taxable dividends under section 83
200		205	210	220	230
1		2			
Total of column E (enter amount on line 402 of Schedule 1)					

Part 1 – Dividends received in the tax year (continued)

F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (a.1), (b), or (d) ^{note 1}	F1	G Eligible dividends included in column F	H Total taxable dividends paid by connected payer corporation (for tax year in column D)	I Dividend refund of the connected payer corporation (for tax year in column D) ^{note 2}	J Part IV tax for eligible dividends. Dividends (from column G) multiplied by 38 1/3% ^{note 3}	K Part IV tax before deductions. Dividends (from column F) multiplied by 38 1/3% ^{note 4}
240		242	250	260	265	275
1						

1A	Taxable dividends received from connected corporations (total amounts from column F with code 1 in column B)	_____	1A
1B	Taxable dividends received from non-connected corporations (total amounts from column F with code 2 in column B)	_____	1B
1C	Subtotal (amount 1A plus amount 1B, include this amount on line 320 of the T2 Return)	=====	1C
1D	Eligible dividends received from connected corporations (total amounts from column G with code 1 in column B)	_____	1D
1E	Eligible dividends received from non-connected corporations (total amounts from column G with code 2 in column B)	_____	1E
1F	Part IV tax before deductions on taxable dividends received from connected corporations (total amounts from column K with code 1 in column B)	_____	1F
1G	Part IV tax before deductions on taxable dividends received from non-connected corporations (total amounts from column K with code 2 in column B)	_____	1G
1H	Subtotal (amount 1F plus amount 1G)	=====	1H
1I	Part IV tax on eligible dividends received from connected corporations (total amounts from column J with code 1 in column B)	_____	1I
1J	Part IV tax on eligible dividends received from non-connected corporations (total amounts from column J with code 2 in column B)	_____	1J
1K	Subtotal (amount 1I plus amount 1J)	=====	1K
1L	Part IV tax before deductions on taxable dividends (other than eligible dividends) (amount 1H minus amount 1K)	_____	1L

- 1 If taxable dividends are received, enter the amount in column F, but if the corporation is not subject to Part IV tax (such as a public corporation other than a subject corporation as defined in subsection 186(3)), enter "0" in column J or column K whichever one applies. Life insurers are not subject to Part IV tax on subsection 138(6) dividends.
- 2 If the connected payer corporation's tax year ends after the corporation's balance-due day for the tax year (two or three months, as applicable), you have to estimate the payer's dividend refund when you calculate the corporation's Part IV tax payable.
- 3 For eligible dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column G.
- 4 For taxable dividends received from **connected** corporations, Part IV tax on dividends is equal to: column I **divided** by column H **multiplied** by column F.

Part 2 – Calculation of Part IV tax payable

Part IV tax on dividends received before deductions (amount 1H in part 1) 2A

Part IV tax payable on dividends subject to Part IV tax (from line 360 of Schedule 43) **320**

Subtotal (amount 2A minus line 320) 2B

Current-year non-capital loss claimed to reduce Part IV tax **330**

Non-capital losses from previous years claimed to reduce Part IV tax **335**

Current-year farm loss claimed to reduce Part IV tax **340**

Farm losses from previous years claimed to reduce Part IV tax **345**

Total losses applied against Part IV tax (total of lines 330 to 345) 2C

Amount 2C multiplied by 38 1 / 3 % 2D

Part IV tax payable (amount 2B minus amount 2D, if negative enter "0") **360**

(enter amount on line 712 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.

Part IV tax before deductions on taxable dividends received from connected corporations ^{note 5} (amount 1F in part 1) 2E

Amount 4A from Schedule 43 2F

Part IV tax payable on taxable dividends received from connected corporations (amount 2E minus amount 2F, if negative enter "0") 2G

(enter at amount L on page 7 of the T2 return)

If your tax year begins after 2018, complete the following part to determine the required amount of Part IV taxes payable in order to calculate the eligible refundable dividend tax on hand (ERDTH) at the end of the tax year.

Part IV tax on eligible dividends received from non-connected corporations (amount 1J in part 1) 2H

Amount 4C from Schedule 43 2I

Part IV tax payable on eligible dividends received from non-connected corporations (amount 2H minus amount 2I, if negative enter "0") 2J

(enter at amount M on page 7 of the T2 return)

5 The program calculates the amount on line 2E from the amount on line 1F. If only a portion of the dividend refund to the connected payer corporation results in an eligible refundable dividend tax on hand (ERDTH), enter this amount on line 2E, using an override. However, if the dividend refund to the connected payer corporation does not result in an ERDTH, the amount on line 2E must be equal to "0."

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund

If your corporation's tax year-end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one tax year of the recipient corporation. If so, use a separate line to provide the information according to each tax year of the recipient corporation.

L Name of connected recipient corporation	M Business Number	N Tax year-end of connected recipient corporation in which the dividends in column O were received YYYYMMDD	O Taxable dividends paid to connected corporations	P Eligible dividends included in column O
400	410	420	430	440
1				

(Total of column O) (Total of column P)

Part 3 – Taxable dividends paid in the tax year that qualify for a dividend refund (continued)

Total taxable dividends paid in the tax year to other than connected corporations	450	60,000
Eligible dividends included in line 450	455	
Total taxable dividends paid in the tax year that qualify for a dividend refund (total of column O plus line 450)	460	60,000
Total eligible dividends paid in the tax year (total of column P plus line 455)	465	
Total non-eligible taxable dividends paid in the tax year (line 460 minus line 465)	470	60,000
Complete this part to determine the following amounts in order to calculate the dividend refund.		
Line 465 multiplied by 38 1 / 3 % (enter at amount AA on page 7 of the T2 return)		3A
Line 470 multiplied by 38 1 / 3 % (enter at amount DD on page 7 of the T2 return)		23,000 3B

Part 4 – Total dividends paid in the tax year

Complete this part if the total taxable dividends paid in the tax year that qualify for a dividend refund (line 460) is different from the total dividends paid in the tax year.

Total taxable dividends paid in the tax year for the purposes of a dividend refund (from above)		60,000
Other dividends paid in the tax year (total of 510 to 540)		
Total dividends paid in the tax year	500	60,000
Dividends paid out of capital dividend account	510	
Capital gains dividends	520	
Dividends paid on shares described in subsection 129(1.2)	530	
Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year	540	
Subtotal (total of lines 510 to 540)		▶ 4A
Total taxable dividends paid in the tax year that qualify for a dividend refund (Line 500 minus amount 4A)		60,000 4B

Corporation Loss Continuity and Application

Corporation's name The Generation Corporation	Business number 81513 1735 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes 62,186 A

Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) a

Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) b

Amount of Part VI.1 tax deductible under paragraph 110(1)(k) c

Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) d

Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e) 1d

Subtotal (total of amounts a to 1d) **B**

Subtotal (amount A **minus** amount B; if positive, enter "0") C

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions D

Subtotal (amount C **minus** amount D) E

Add: (decrease a loss)

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) F

Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year 217 e

Deduct: Non-capital loss expired (note 1) **100** f

Non-capital losses at the beginning of the tax year (amount e **minus** amount f) **102** 217 **H**

Add:

Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation **105** g

Current-year non-capital loss (from amount G) **110** h

Subtotal (amount g **plus** amount h) I

Subtotal (amount H **plus** amount I) 217 J

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	217 k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)		217 K
Non-capital losses before any request for a carryback (amount J minus amount K)		L

Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)		180 N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		B
Subtotal (amount A minus amount B)		C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 210 D

Unused non-capital losses that expired in the tax year (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000		220 E
Subtotal (total of amounts C to E)		F

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) **225** _____ G
 Capital losses before any request for a carryback (amount F **minus** amount G) _____ H

Deduct – Request to carry back capital loss to (note 7):

	Capital gain (100%)	Amount carried back (100%)	
First previous tax year	951	_____	h
Second previous tax year	952	_____	i
Third previous tax year	953	_____	j
	Subtotal (total of amounts h to j) _____		I
	Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) 280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year _____ a
Deduct: Farm loss expired (note 8) **300** _____ b
 Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** _____ A

Add:

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation ... **305** _____ c
 Current-year farm loss (amount F in Part 1) **310** _____ d
 Subtotal (amount c **plus** amount d) _____ B
 Subtotal (amount A **plus** amount B) _____ C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** _____ e
 Section 80 – Adjustments for forgiven amounts **340** _____ f
 Farm losses of previous tax years applied in the current tax year **330** _____ g
 Enter amount g on line 334 of the T2 Return.
 Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9) **335** _____ h
 Subtotal (total of amounts e to h) _____ D
 Farm losses before any request for a carryback (amount C **minus** amount D) _____ E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	_____	i
Second previous tax year to reduce taxable income	922	_____	j
Third previous tax year to reduce taxable income	923	_____	k
First previous tax year to reduce taxable dividends subject to Part IV tax	931	_____	l
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	_____	m
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	_____	n
	Subtotal (total of amounts i to n) _____		F
	Closing balance of farm losses to be carried forward to future tax years (amount E minus amount F) 380		G

Note 8: A farm loss expires as follows:
 • after **10** tax years if it arose in a tax year ending before 2006; and
 • after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
(amount A above _____ – \$2,500) divided by 2 = _____ a		
Amount a or \$ 15,000 (note 10), whichever is less		b
	2,500	c
Subtotal (amount b plus amount c)	2,500	B
Current-year restricted farm loss (amount A minus amount B)		C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		d
Deduct: Restricted farm loss expired (note 11)	400	e
Restricted farm losses at the beginning of the tax year (amount d minus amount e)	402	D
Add:		
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405	f
Current-year restricted farm loss (from amount C)	410	g
Enter amount g on line 233 of Schedule 1, <i>Net Income (Loss) for Income Tax Purposes</i> .		
Subtotal (amount f plus amount g)		E
Subtotal (amount D plus amount E)		F

Deduct:

Restricted farm losses from previous tax years applied against current farming income	430	h
Enter amount h on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	i
Other adjustments	450	j
Subtotal (total of amounts h to j)		G
Restricted farm losses before any request for a carryback (amount F minus amount G)		H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	k
Second previous tax year to reduce farming income	942	l
Third previous tax year to reduce farming income	943	m
Subtotal (total of amounts k to m)		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I)	480	J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year a

Deduct: Listed personal property loss expired after 7 tax years **500** b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **A**

Add: Current-year listed personal property loss (from Schedule 6) **510** **B**

Subtotal (amount A **plus** amount B) **C**

Deduct:

Listed personal property losses from previous tax years applied against listed personal property gains **530** c
Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

Subtotal (amount c **plus** amount d) **D**

Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) **E**

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961** e

Second previous tax year to reduce listed personal property gains **962** f

Third previous tax year to reduce listed personal property gains **963** g

Subtotal (total of amounts e to g) **F**

Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** **G**

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620

1.

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680

1.

Total (enter this amount on line 335 of the T2 return)

Note

If you need more space, you can attach more schedules.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box

190

Yes

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2019-07-31		N/A		N/A			
2nd preceding taxation year 2018-07-31		N/A		N/A			
3rd preceding taxation year 2017-07-31		N/A		N/A			
4th preceding taxation year 2016-07-31	217	N/A		N/A	217		
5th preceding taxation year 2015-07-31		N/A		N/A			
6th preceding taxation year 2014-07-31		N/A		N/A			
7th preceding taxation year 2013-07-31		N/A		N/A			
8th preceding taxation year 2012-07-31		N/A		N/A			
9th preceding taxation year 2011-07-31		N/A		N/A			
10th preceding taxation year 2010-07-31		N/A		N/A			
11th preceding taxation year 2009-07-31		N/A		N/A			
12th preceding taxation year 2008-07-31		N/A		N/A			
13th preceding taxation year 2007-07-31		N/A		N/A			
14th preceding taxation year 2006-07-31		N/A		N/A			
15th preceding taxation year 2005-07-31		N/A		N/A			
16th preceding taxation year 2004-07-31		N/A		N/A			
17th preceding taxation year 2003-07-31		N/A		N/A			
18th preceding taxation year 2002-07-31		N/A		N/A			
19th preceding taxation year 2001-07-31		N/A		N/A			
20th preceding taxation year 2000-07-31		N/A		N/A			*
Total	217				217		

* This balance expires this year and will not be available next year.

Capital Cost Allowance (CCA)

Corporation's name The Generation Corporation	Business number 81513 1735 RC0001	Tax year-end Year Month Day 2020-07-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 1		2,731,253						0	
2. 10		4,543						0	
Totals		2,735,796							

1 Class number * See note 1	Description	9 UCC (column 2 plus column 3 plus or minus column 5) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200											
1. 1		2,731,253					4	0	0	109,250	2,622,003
2. 10		4,543					30	0	0	1,363	3,180
Totals		2,735,796								110,613	2,625,183

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation The Generation Corporation	Business Number 81513 1735 RC0001	Tax year end Year Month Day 2020-07-31
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- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Generation Construction Corp.		86455 2419 RC0001	3					
2.	Ellis Fabrications Inc.		87989 7312 RC0001	3					
3.	GroundWorks Safety Systems Inc.		80561 3726 RC0001	2	100	100.000			10
4.	Generation Steel Inc.		80785 5770 RC0001	2	100	100.000			10

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area) **025** Year Month Day

Enter the calendar year the agreement applies to **050** Year
2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** Yes No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	The Generation Corporation	81513 1735 RC0001	1	500,000	75.0000	375,000
2	Generation Construction Corp.	86455 2419 RC0001	1	500,000	0.0001	1
3	Ellis Fabrications Inc.	87989 7312 RC0001	1	500,000	0.0001	1
4	GroundWorks Safety Systems Inc.	80561 3726 RC0001	1	500,000	24.9997	124,999
5	Generation Steel Inc.	80785 5770 RC0001	1	500,000	0.0001	1
Total					100.0000	500,002 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula $0.225\% \times (C - \$10,000,000)$. Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Shareholder Information

Corporation's name The Generation Corporation	Business number 81513 1735 RC0001	Tax year-end Year Month Day 2020-07-31
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	James Foley		639 679 380		50.000	
2	Danielle Foley		645 867 623		50.000	
3						
4						
5						
6						
7						
8						
9						
10						

Part III.1 Tax on Excessive Eligible Dividend Designations

Corporation's name The Generation Corporation	Business number 81513 1735 RC0001	Tax year-end Year Month Day 2020-07-31
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Do not use this area

- Every corporation resident in Canada that pays a taxable dividend (other than a capital gains dividend within the meaning assigned by subsection 130.1(4) or 131(1)) in the tax year must file this schedule.
- Canadian-controlled private corporations (CCPC) and deposit insurance corporations (DIC) must complete Part 1 of this schedule. All other corporations must complete Part 2.
- Every corporation that has paid an eligible dividend must also file Schedule 53, *General Rate Income Pool (GRIP) Calculation*, or Schedule 54, *Low Rate Income Pool (LRIP) Calculation*, whichever is applicable.
- File the completed schedules with your *T2 Corporation Income Tax Return* no later than six months from the end of the tax year.
- All legislative references are to the *Income Tax Act* and the *Income Tax Regulations*.
- Subsection 89(1) defines the terms eligible dividend, excessive eligible dividend designation, general rate income pool (GRIP), and low rate income pool (LRIP).
- The calculations in Part 1 and Part 2 do not apply if the excessive eligible dividend designation arises from the application of paragraph (c) of the definition of excessive eligible dividend designation in subsection 89(1). This paragraph applies when an eligible dividend is paid to artificially maintain or increase the GRIP or to artificially maintain or decrease the LRIP.

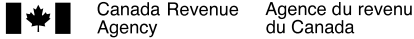
Part 1 – Canadian-controlled private corporations and deposit insurance corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____	
Taxable dividends paid in the tax year included in Schedule 3	_____	60,000
Total taxable dividends paid in the tax year	100	<u>60,000</u>
Total eligible dividends paid in the tax year	_____	150 _____ A
GRIP at the end of the tax year (line 590 on Schedule 53) (if negative, enter "0")	_____	160 _____ B
Excessive eligible dividend designation (line 150 minus line 160)	_____	_____ C
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	_____	180 _____ D
	Subtotal (amount C minus amount D)	_____ E
Part III.1 tax on excessive eligible dividend designations – CCPC or DIC (amount E multiplied by 20 %)	_____	190 _____ F
Enter the amount from line 190 on line 710 of the T2 return.		

Part 2 – Other corporations

Taxable dividends paid in the tax year not included in Schedule 3	_____	
Taxable dividends paid in the tax year included in Schedule 3	_____	
Total taxable dividends paid in the tax year	200	<u>_____</u>
Total excessive eligible dividend designations in the tax year (amount from line A of Schedule 54)	_____	_____ G
Deduct:		
Excessive eligible dividend designations elected under subsection 185.1(2) to be treated as ordinary dividends *	_____	280 _____ H
	Subtotal (amount G minus amount H)	_____ I
Part III.1 tax on excessive eligible dividend designations – Other corporations (amount I multiplied by 20 %)	_____	290 _____ J
Enter the amount from line 290 on line 710 of the T2 return.		

* You can elect to treat all or part of your excessive eligible dividend designation as a separate taxable dividend in order to eliminate or reduce the Part III.1 tax otherwise payable. You must file the election on or before the day that is 90 days **after** the day the notice of assessment for Part III.1 tax was sent. We will accept an election before the assessment of the tax. For more information on how to make this election, go to www.cra.gc.ca/eligibledividends.



Information Return for Corporations Filing Electronically

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (CRA) on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- **Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part 1 – Identification

Corporation's name The Generation Corporation			Business number 81513 1735 RC0001
Tax year ▶	From Y M D 2019-08-01	To Y M D 2020-07-31	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFI (line 300)	62,186
Part I tax payable (line 700)	5,577
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

Sign up for online mail!

Get your CRA mail electronically delivered in My Business Account at cra.gc.ca/mybusinessaccount

I understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent.

Email address for online mail (optional): _____

I, Foley Last name James First name Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the corporation income tax return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2020-11-12 Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation (403) 227-1001 Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

<u>RSM Alberta LLP</u> Name of person or firm	<u>S7047</u> Electronic filer number
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Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.



ALBERTA CORPORATE INCOME TAX RETURN – AT1
The Alberta Corporate Tax Act

For corporations with taxation years ending in 2004 and subsequent. If the corporation has no taxable income to report both federally and for Alberta purposes, please refer to form AT100 to determine if the corporation is exempt from filing. Otherwise, the AT1 and applicable schedules must be received by Tax and Revenue Administration (TRA) within 6 months of the corporation's taxation year end. Mail, fax, courier or hand deliver to: TAX AND REVENUE ADMINISTRATION, 9811 109 ST, EDMONTON AB T5K 2L5. Fax: 780-427-0348.

For Department Use		005 <input type="checkbox"/>
001 <input type="checkbox"/>		01RT
004 <input type="checkbox"/>		

010 Legal Name of Corporation <input type="checkbox"/> The Generation Corporation	Alberta Corporate Account Number (CAN) (Enter the 9 or 10 digit account number) 034 <input type="checkbox"/> 2017477213
011 Operating Name of Corporation <input type="checkbox"/>	Federal Business Number (BN) 035 <input type="checkbox"/> 81513 1735 RC0001
012 Mailing Address of Business <input type="checkbox"/> 4207 53 Street Close	Taxation Year Beginning 036 <input type="checkbox"/> 2019-08-01
013 <input type="checkbox"/>	Taxation Year Ending 037 <input type="checkbox"/> 2020-07-31
014 City/Town <input type="checkbox"/> Innisfail	Has the taxation year end changed since the last return was filed? 038 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
015 Prov./ State | 016 Country Code (other than Canada) | 017 Postal or Zip Code | T4G 1P9	If "Yes", specify the reason: 039 <input type="checkbox"/> 1 Canada Revenue Agency (CRA) approved tax year end change <input type="checkbox"/> 2 Change in control <input type="checkbox"/> 3 Final return
If the assessment notice and assessment correspondence are to be sent to an address other than that above, provide that address: 018 Name <input type="checkbox"/> 019 Address <input type="checkbox"/> 020 <input type="checkbox"/> 021 City/Town <input type="checkbox"/>	State the functional currency used, if other than Canadian: 041 <input type="checkbox"/> 1 United States of America <input type="checkbox"/> 2 United Kingdom <input type="checkbox"/> 3 European Monetary Union <input type="checkbox"/> 4 Australia
022 Prov./ State | 023 Country Code (other than Canada) | 024 Postal or Zip Code	If field 041 is checked, provide average exchange rate for calculation: (functional currency converting to Canadian currency) 043 <input type="checkbox"/>
025 Name of the person to contact to discuss this return <input type="checkbox"/> James Foley	Gross Revenue (To nearest thousand) 047 <input type="checkbox"/> 520,000
Telephone number: 026 Area Code <input type="checkbox"/> (403) 227-1001	Total Assets (Book value per balance sheet, to nearest thousand) 048 <input type="checkbox"/> 5,800,145
Fax number: 027 Area Code <input type="checkbox"/>	Is this a final return? 050 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Nature of Business 028 SIC Code <input type="checkbox"/> 9999	If "Yes", specify the reason: 051 <input type="checkbox"/> 1 Amalgamation, specify date of amalgamation: YYYY MM DD 052 <input type="checkbox"/> 2 Discontinuance of permanent establishment in Alberta <input type="checkbox"/> 3 Bankruptcy <input type="checkbox"/> 4 Wind-up into parent <input type="checkbox"/> 5 Dissolution of corporation, specify date operations ceased: YYYY MM DD 053 <input type="checkbox"/>
Type of Corporation 029 <input checked="" type="checkbox"/> 1 Canadian-controlled private corporation throughout the year (excluding Alberta professional) <input type="checkbox"/> 2 Alberta Professional <input type="checkbox"/> 3 Other private <input type="checkbox"/> 4 Public <input type="checkbox"/> 5 Other, specify: _____	Was there a transfer of property under federal ITA subsection 85(1), 85(2) or 97(2) that occurred after May 30, 2001, and during the taxation year being reported? 054 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Special Corporation Status (if applicable) 030 <input type="checkbox"/> 1 Investment Corporation <input type="checkbox"/> 2 Mutual Fund Corporation <input type="checkbox"/> 3 Co-operative <input type="checkbox"/> 4 Credit Union <input type="checkbox"/> 5 Corporations exempt under the federal ITA section 149	
Has there been a wind-up of a subsidiary under federal Income Tax Act (ITA) section 88 during the current taxation year? <input type="checkbox"/> 031 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the first year of filing after an amalgamation? <input type="checkbox"/> 032 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	

Report all monetary amounts in dollars; DO NOT include cents.

CAN: 2017477213

Taxation Year Ending: 2020-07-31

Taxable Income: The calculation of taxable income for federal purposes can differ from the calculation for Alberta purposes if the corporation chooses to use different discretionary deduction amounts (e.g., different application of losses, CCA, charitable donation, etc.).

Is the corporation reporting different taxable income for Alberta and federal purposes? Yes No

Has the corporation elected to use any different discretionary amounts for the current year claim or do opening balances differ for federal and Alberta purposes? Yes No

If line 060 and/or 061 is "Yes", then schedule 12 and supporting schedules MUST be completed to reconcile federal and Alberta taxable income.

Alberta taxable income or (loss)

If both lines 060 and 061 are "No", then line 062 must equal federal T2, lines 360 - 370

OR, if reporting a loss, enter the amount from federal Schedule 4 lines 110 + 310

If either line 060 or 061 is "Yes", enter the amount from Schedule 12, lines 090 - 092

(If line 062 is negative, complete Schedule 10 to request a loss carry-back, if applicable)

Deduct: Royalty Tax Deduction (Schedule 5, line 021)

Alberta Allocation Factor (Schedule 2, column I)

Amount Taxable in Alberta (line 062 - line 064) X line 065 * (if negative, enter "0")

(* if the corporation has permanent establishments only in Alberta, multiply by "1")

Basic Alberta Tax Payable:

10.249 % of amount on Line 066

Alberta Small Business Deduction

Schedule 1, line 031

Alberta Manufacturing and Processing Profits

Deduction Schedule 11, line 023

Alberta Foreign Investment Income Tax Credit

Schedule 4, line 020

Alberta Political Contributions Tax Credit

Schedule 8, line 030

Alberta Other Tax Deductions and Credits

Schedule 3, line 604

Other Deductions: (specify and attach

the appropriate schedules)

Total (lines 76a + 76b)

Total (lines 070 + 071 + 072 + 074 + 076)

Alberta Tax Payable (lines 068 - line 079)

Alberta Scientific Research & Experimental Development Tax

Credit, Schedule 9, line 120

Instalments, other payments and ARTC instalments credited to

income tax account for this taxation year

Interactive Digital Media Tax Credit (IDMTC)

Tax Certificate Number

(issued at time of IDMTC approval)

Alberta Capital Gains Refund (available only to mutual fund

corporations and public investment corporations)

Other Credits: (specify and attach the appropriate schedule(s))

Total (lines 081 + 082 + 085 + 086 + 087)

Balance Unpaid (Overpayment) (line 080 - line 088)

(An assessed balance, including interest and penalty charges, of less than \$20.00 will be neither charged nor refunded.)

If line 090 is a balance due (i.e. positive amount), indicate the amount enclosed with the return

Make cheque payable to Government of Alberta

If line 090 is an overpayment (i.e. negative amount), indicate the desired disposition:

Refund = 1; Apply to payments for the next taxation year = 2

If you would like your Notice of Assessment provided to you by fax

rather than by mail, please specify your complete fax number

060	Yes	No
		X
061	Yes	No
		X

062		61,969
064		
065		1.000000
066		61,969
068		6,351

070		5,111
071		
072		
074		
76a		
76b		
076		

079		5,111
080		1,240

081		
082		
085		
110		
086		
087		

088		
090		1,240
091		
092		
093	Area Code	

CERTIFICATION

I, 097 Foley 098 James 099 Director, Print Surname Print First Name Position, office or rank

am an authorized signing officer of the corporation. I certify that this return, including accompanying schedules and statements, has been examined by me and is a true, correct and complete return. I further certify that the method of computing income for this taxation year is consistent with that of the previous taxation year except as specifically disclosed in a statement to this return.

Signature of the authorized signing officer

2020-11-12
Date (YYYY MM DD)



ALBERTA SMALL BUSINESS DEDUCTION
- AT1 SCHEDULE 1
The Alberta Corporate Tax Act

CAN:

Taxation Year Ending:

For corporations which were Canadian-controlled private corporations throughout the taxation year and which had income from active businesses carried on in Canada. Report all monetary values in dollars; DO NOT include cents.

Association for Purposes of the Alberta Small Business Deduction	001	Yes	No
Is the corporation associated with one or more Canadian-controlled private corporations?	X		

If "Yes", complete AREA A on page 2.

Alberta Small Business Deduction

Income from active businesses carried on in Canada as reported on the T2 line 400* OR on Schedule 12, line 106

Deduct: Royalty Tax Deduction for the year (Schedule 5, line 021)

Balance line 003 minus line 005 (if negative, enter "0")

Taxable Income (less adjustments for foreign tax credits and amounts included in Amount Taxable in Alberta not subject to Alberta corporate income tax. See Guide for calculation details)

Deduct: Royalty Tax Deduction for the year (Schedule 5, line 021)

Balance line 009 minus line 011 (if negative, enter "0")

Complete AREA B on page 2 to determine the base amount used to calculate the Alberta Small Business Threshold

* If the corporation has income (loss) from partnership(s) with fiscal period(s) ending after March 31, 2001, then the Income from active businesses must be recalculated for Alberta purposes by increasing the business limit at column G on page 2 of federal Schedule 7 to \$300,000 on April 1, 2001, \$350,000 on April 1, 2002, \$400,000 on April 1, 2003, \$430,000 on April 1, 2007, \$460,000 on April 1, 2008 and \$500,000 on April 1, 2009, prorating the increase by the number of days in the partnership's fiscal period straddling March 31, 2001, March 31, 2002, March 31, 2003, March 31, 2007, March 31, 2008 and March 31, 2009.

Income Eligible for the Alberta Small Business Deduction

Corporations with permanent establishments only in Alberta, ignore lines 019, 020 and 021 and go directly to the table below. Other corporations complete the following:

Amount reported on federal Schedule 5, line 127

Amount reported on federal Schedule 5, line 167

Alberta Small Business Allocation Factor:

If both line 019 and line 020 are "0", enter the Alberta Allocation Factor from Alberta Schedule 2. If either line 019 or line 020 have a value greater than zero and the corporation is filing under ITA Regulation 402, 403, 404, 405, 408, 409 or 411, then the Alberta Allocation Factor from Schedule 2 must be calculated to reduce Amount B by the amount at line 019 and to reduce Amount D by the amount at line 020. If the corporation is filing under any other ITA Regulation, then enter the Allocation Factor calculated on Schedule 2 directly onto line 021

Calculation of the Alberta Small Business Deduction

A Days in Taxation Year	B Percentage	C Alberta Small Business Threshold Line 015 X (B)	D Least of amounts: 007, 013 and C	E D X line 021*	F SBD Rate	G Alberta Small Business Deduction E X (A/Total A) X F
After March 31, 2009 & before July 1, 2015:	250 %	375,000	61,969	61,969	0.070	
After June 30, 2015 & before January 1, 2017:	250 %	375,000	61,969	61,969	0.090	
After December 31, 2016 & before July 1, 2019:	250 %	375,000	61,969	61,969	0.100	
After June 30, 2019 & before January 1, 2020: 153	250 %	375,000	61,969	61,969	0.090	2,331
After December 31, 2019 & before July 1, 2020: 182	250 %	375,000	61,969	61,969	0.080	2,465
After June 30, 2020: 31	250 %	375,000	61,969	61,969	0.060	315

Alberta Small Business Deduction:

Total of column G

Enter this amount on AT1 page 2, line 070

CAN: 2017477213

Taxation Year Ending: 2020-07-31

AREA A – Agreement Among Associated Corporations

Allocation Agreement:

To arrive at the Alberta Small Business Threshold, the "base amount"* of \$200,000 is used to determine the allocation among associated corporations. It is hereby agreed that the \$200,000 base amount for the year is to be allocated as shown below for the taxation year 2020-07-31.

041 Name of the Associated Canadian-controlled Private Corporations	043 Alberta Corporate Account Number (CAN), if applicable	044 Percentage of the Business Limit**	045 Allocation of the Base Amount*** (\$200,000 X % in Col 044)
The Generation Corporation	2017477213	75.0000	150,000
Generation Construction Corp.		0.0001	
Ellis Fabrications Inc.		0.0001	
GroundWorks Safety Systems Inc.		24.9997	49,999
Generation Steel Inc.		0.0001	
Totals:		100%	199,999

* The percentage in Column B in the Calculation of the Alberta Small Business Deduction on page 1, adjusts the base amount for changes to the Alberta Small Business Threshold. The Alberta Small Business Threshold after March 31, 2009 is \$500,000. See Information Circular CT-17 for more information.

** This percentage **must** be the same as that used to determine the business limit on the federal Schedule 23, form T2 SCH23 for all taxation years ending after December 4, 2002. The total of all percentages cannot exceed 100%.

*** The amount in column 045 must be rounded to the nearest dollar; rounding up at \$.50 and over.

AREA B – Determination of the Value for Line 015

The base amount to be used by a corporation for line 015 on page 1, is \$200,000 or its allocated base amount as specified in AREA A, **adjusted**, if required, as follows:

(i) Prorated Base Amount for Short Taxation Year:

If the taxation year is shorter than 51 weeks, the corporation's base amount is the amount allocated to it multiplied by the ratio that the number of days in the year is to 365.

(ii) Reduction for Large Corporations:

If in the preceding year, the associated group (Canadian-controlled private or not) had total taxable capital employed in Canada exceeding \$10,000,000 the base amount of each associated corporation is reduced or eliminated.

Enter \$200,000 or, if associated, the corporation's allocated base amount from AREA A 150,000 (a)

If adjustments are not required, enter Amount (a) on line 015 on page 1.

(i) Prorated Base Amount for Short Taxation Year:

Amount (a) X Number of days in tax year 365 ÷ 365 days 150,000 (b)

If the corporation has a short tax year but the associated group had total taxable capital employed in Canada less than \$10,000,000 and, for taxation years starting after 2018, total adjusted aggregate investment income* less than \$50,000, enter Amount (b) on line 015 on page 1.

(ii) Reduction for Large Corporations:

(1) where the corporation is not associated with any other corporations in both the current or previous taxation year $A \times \frac{B}{\$11,250}$ 11,250 (c)
or

(2) where the corporation is not associated with any other corporations in the current taxation year but was associated in the previous taxation year $A \times \frac{C}{\$11,250}$ 11,250 (c)
or

(3) where the corporation is associated with another corporation in the current year $A \times \frac{D}{\$11,250}$ 11,250 (c)

- A is the small business threshold otherwise determined, adjusted if necessary for a short taxation year
- B is the lesser of \$11,250 and (0.225% X Total taxable capital employed in Canada for the prior taxation year minus \$10,000,000)
- C is the lesser of \$11,250 and (0.225% X Total taxable capital employed in Canada for the current taxation year minus \$10,000,000)
- D is the lesser of \$11,250 and (0.225% X Total taxable capital employed in Canada of each corporation in the associated group for its last tax year ending in the preceding calendar year minus \$10,000,000)

Passive Income Limit Reduction:

Adjusted aggregate investment income from Line 417 of the T2 less \$ 50,000 = _____ (d)

Amount (lesser of a or b) 150,000 X (d) _____ = _____ (e)

100,000 Subtotal (greater of c and e): _____ (f)

Reduced business limit for tax years starting before 2019 (lesser of amounts a or b minus amount c) _____ (g)

Reduced business limit for tax years starting after 2018 (lesser of amounts a or b minus amount f) 150,000 (h)

Business Limit the CCPC assigns per Line 515 of the federal T2 _____ (i)

Reduced business limit after assignment for tax years starting before 2019 (amount g minus amount i) _____ (j)

Reduced business limit after assignment for tax years starting after 2018 (amount h minus amount i) 150,000 (k)

Enter Amount (j) or (k) on line 015 on page 1.



T5 Statement of Investment Income / État des revenus de placement

Year / Année
2020

Protected B / Protégé B
when completed / une fois rempli

Dividends from Canadian corporations – Dividendes de sociétés canadiennes		Federal credit – Crédit fédéral		Interest from Canadian sources		Capital gains dividends	
24 Actual amount of eligible dividends Montant réel des dividendes déterminés	25 Taxable amount of eligible dividends Montant imposable des dividendes déterminés	26 Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital			
10 Actual amount of dividends other than eligible dividends 30,000.00 Montant réel des dividendes autres que des dividendes déterminés	11 Taxable amount of dividends other than eligible dividends 34,500.00 Montant imposable des dividendes autres que des dividendes déterminés	12 Dividend tax credit for dividends other than eligible dividends 3,115.38 Crédit d'impôt pour dividendes autres que des dividendes déterminés	21 Report Code O Code du feuillet	22 Recipient identification number 639679380 Numéro d'identification du bénéficiaire	23 Recipient type 1 Type de bénéficiaire		
Other information / Autres renseignements		Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire Foley, James 329 27111 HWY 597 PO BOX 877 Blackfalds AB T0M0J0	Payer's name and address – Nom et adresse du payeur The Generation Corporation 4207 53 Street Close Innisfail AB T4G1P9
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Currency and identification codes / Codes de devise et d'identification

27 Foreign currency / Devises étrangères

28 Transit – Succursale

29 Recipient account / Numéro de compte du bénéficiaire

See the privacy notice on your return. / Consultez l'avis de confidentialité dans votre déclaration.

T5 (19)

To be kept by the payer / À conserver par le payeur **4**



T5 Statement of Investment Income / État des revenus de placement

Year / Année
2020

Protected B / Protégé B
when completed / une fois rempli

Dividends from Canadian corporations – Dividendes de sociétés canadiennes		Federal credit – Crédit fédéral		Interest from Canadian sources		Capital gains dividends	
24 Actual amount of eligible dividends Montant réel des dividendes déterminés	25 Taxable amount of eligible dividends Montant imposable des dividendes déterminés	26 Dividend tax credit for eligible dividends Crédit d'impôt pour dividendes déterminés	13 Interest from Canadian sources Intérêts de source canadienne	18 Capital gains dividends Dividendes sur gains en capital			
10 Actual amount of dividends other than eligible dividends 30,000.00 Montant réel des dividendes autres que des dividendes déterminés	11 Taxable amount of dividends other than eligible dividends 34,500.00 Montant imposable des dividendes autres que des dividendes déterminés	12 Dividend tax credit for dividends other than eligible dividends 3,115.38 Crédit d'impôt pour dividendes autres que des dividendes déterminés	21 Report Code O Code du feuillet	22 Recipient identification number 645867623 Numéro d'identification du bénéficiaire	23 Recipient type 1 Type de bénéficiaire		
Other information / Autres renseignements		Box / Case	Amount / Montant	Box / Case	Amount / Montant	Box / Case	Amount / Montant

Recipient's name (last name first) and address – Nom, prénom et adresse du bénéficiaire Foley, Danielle 329 27111 HWY 597 PO BOX 877 Blackfalds AB T0M 0J0	Payer's name and address – Nom et adresse du payeur The Generation Corporation 4207 53 Street Close Innisfail AB T4G1P9
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Currency and identification codes / Codes de devise et d'identification

27 Foreign currency / Devises étrangères

28 Transit – Succursale

29 Recipient account / Numéro de compte du bénéficiaire

See the privacy notice on your return. / Consultez l'avis de confidentialité dans votre déclaration.

T5 (19)

To be kept by the payer / À conserver par le payeur **4**

Return of Investment Income Déclaration des revenus de placements

T5 Summary – Sommaire

Complete this information return using the instructions in the Guide T4015, T5 Guide – Return of Investment Income.
Remplissez cette déclaration de renseignements selon les instructions données dans le guide T4015, Guide T5 – Déclaration des revenus de placements.

Information return for the year ending December 31 / Déclaration de renseignements pour l'année se terminant le 31 décembre: **2020**

Program account number / Numéro de compte de programme: **81513 1735 RZ0001**

If this is an **additional** T5 Summary, enter "X" here. / S'il s'agit d'un formulaire T5 Sommaire **supplémentaire**, inscrivez un « X » ici.

Name of filer or nominee, and address of branch or office filing this T5 Summary / Nom du déclarant ou du mandataire et adresse de la succursale ou du bureau qui produit ce T5 Sommaire

Name – Nom: **The Generation Corporation**

Address – Adresse: **4207 53 Street Close**

City – Ville: **Innisfail** Prov./Terr.: **AB** Postal Code – Code postal: **T4G1P9**

Have you filed a T5 information return before? / Avez-vous déjà produit une déclaration de renseignements T5?
Yes / Oui: No / Non:

Indicate your choice of language for correspondence. / Indiquez dans quelle langue vous voulez recevoir votre correspondance.
English: Français:

Do not use this area.
N'inscrivez rien ici.

T5 slip totals – Totaux des feuillets T5

Do not include amounts for which a T5 slip has not been issued.
N'incluez pas des montants pour lesquels vous n'avez pas produit un feuillet T5.

Actual amount of dividends other than eligible dividends / Montant réel des dividendes autres que des dividendes déterminés	10	60,000.00
Taxable amount of dividends other than eligible dividends / Montant imposable des dividendes autres que des dividendes déterminés	11	69,000.00
Dividend tax credit for dividends other than eligible dividends / Crédit d'impôt pour dividendes autres que des dividendes déterminés	12	6,230.76
Interest from Canadian sources – Intérêts de source canadienne	13	
Other income from Canadian sources – Autres revenus de source canadienne	14	
Foreign income – Revenus étrangers	15	
Foreign tax paid – Impôt étranger payé	16	
Royalties from Canadian sources – Redevances de source canadienne	17	
Capital gains dividends – Dividendes sur gains en capital	18	
Accrued income: Annuities – Revenus accumulés : Rentes	19	
Actual amount of eligible dividends – Montant réel des dividendes déterminés	24	
Taxable amount of eligible dividends / Montant imposable des dividendes déterminés	25	
Dividend tax credit for eligible dividends / Crédit d'impôt pour dividendes déterminés	26	
Unclaimed amounts – Dividends and interest / Revenus de propriétaires inconnus : Dividendes et intérêts	32	
Tax deducted from unclaimed amounts / Impôt retenu sur les revenus de propriétaires inconnus	33	

Total number of T5 slips filed / Nombre total de feuillets T5 produits: **31** **2**

Do not use this area.
N'inscrivez rien ici.

Contact person / Personne-ressource: **41** **RSM Alberta LLP** Telephone number – Numéro de téléphone: **42** **(403) 342-5541**

Certification – Attestation

I certify that the information given on this information return and related slips is correct and complete.
J'atteste que les renseignements fournis dans cette déclaration de renseignements et sur tous les feuillets connexes sont exacts et complets.

Signature of authorized person – Signature d'une personne autorisée: _____ Position or office – Titre ou poste: **President** Date: **2020-11-13**

THE GENERATION CORPORATION



Notice to Reader and Financial Statements
July 31, 2020

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of The Generation Corporation as at July 31, 2020 and the statement of income and deficit for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Red Deer County, Alberta

November 2, 2020

RSM ALBERTA LLP

Chartered Professional Accountants

THE GENERATION CORPORATION

Balance Sheet

As at July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
ASSETS		
Current asset		
Cash	\$ 22,666	\$ 36
Investments	20	20
Property, plant and equipment (note 1)	3,178,568	3,238,808
Due from Ellis Fabrications Inc.	2,097,117	2,152,842
Due from Generation Steel Inc.	<u>351,774</u>	<u>226,274</u>
	<u>\$ 5,650,145</u>	<u>\$ 5,617,980</u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ 62,945	\$ 6,149
Goods and Services Tax payable	49,827	24,327
Income taxes payable	7,000	-
Current portion of long-term debt	<u>164,951</u>	<u>164,951</u>
	284,723	195,427
Long-term Debt	5,309,792	5,310,406
Due to GroundWorks Safety Services Inc.	135,429	97,149
Due to shareholders	<u>33,975</u>	<u>173,975</u>
	<u>5,763,919</u>	<u>5,776,957</u>
SHAREHOLDER'S DEFICIENCY		
Share capital	20	20
Deficit	<u>(113,794)</u>	<u>(158,997)</u>
	<u>(113,774)</u>	<u>(158,977)</u>
	<u>\$ 5,650,145</u>	<u>\$ 5,617,980</u>

THE GENERATION CORPORATION

Statement of Income and Deficit

Year ended July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
Revenue	<u>\$ 520,000</u>	<u>\$ 450,000</u>
Expenses		
Interest on long-term debt	287,106	235,890
Amortization	60,240	61,589
Property taxes	53,139	53,033
Insurance	3,086	7,714
Professional fees	2,313	26,864
Interest and bank charges	1,788	23,069
Utilities	125	-
Office	-	191
	<u>407,797</u>	<u>408,350</u>
Income before income taxes	112,203	41,650
Income taxes	<u>7,000</u>	<u>-</u>
Net income	105,203	41,650
Deficit, beginning of year	(158,997)	(140,647)
Dividends	<u>(60,000)</u>	<u>(60,000)</u>
Deficit, end of year	<u>\$ (113,794)</u>	<u>\$ (158,997)</u>

THE GENERATION CORPORATION

Note to the Financial Statements

July 31, 2020

(Unaudited - see Notice to Reader)

1. Property, Plant and Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net</u>	<u>2019 Net</u>
Land	\$ 275,947	\$ -	\$ 275,947	\$ 275,947
Buildings	3,488,377	596,897	2,891,480	2,950,484
Equipment	40,000	28,859	11,141	12,377
	<u>\$ 3,804,324</u>	<u>\$ 625,756</u>	<u>\$ 3,178,568</u>	<u>\$ 3,238,808</u>



November 12, 2020

PRIVATE AND CONFIDENTIAL

Ellis Fabrications Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1 403 342 5541
F +1 403 347 3766

Writer's Direct Line: (403) 350-2258

ATTENTION: Jim Foley

Dear Jim Foley:

We have completed the preparation of the financial statements of Ellis Fabrications Inc. for the fiscal year ended July 31, 2020. One electronic copy of the financial statements are enclosed. Please advise us if you require additional copies.

We have also completed the required federal and provincial tax returns of Ellis Fabrications Inc. for the taxation year ended July 31, 2020. An electronic copy of each tax return is provided.

Please be advised that there are no Provincial or Federal taxes payable and because of this, no instalments are required by Canada Revenue Agency.

We also enclose an electronic copy of the adjusting entries and trial balance prepared by us to complete your accounting records. The entries should be posted to your general ledger and retained as part of your accounting records.

An engagement letter for our services is enclosed and is required for our files. Please review the contents and return the signed original to us. An electronic copy is provided for your records.

A representation letter is enclosed and is required for our files. Please review the contents and return the signed original to us. The "Client's Copy" is for your records.

If you have any questions or comments with respect to any of the above, please let us know.

Yours very truly,

RSM ALBERTA LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA
Partner

MLS:rs

Encl.

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AUDIT | TAX | CONSULTING



November 12, 2020

Jim Foley
Ellis Fabrications Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

RSM Alberta LLP
546 Laura Avenue
Red Deer County, AB T4E 0A5
O +1 403.342.5541
F +1 403.342.5542
rsmcanada.com

Dear Jim:

We are pleased that you have chosen to engage RSM Alberta LLP (we, our or us) to provide certain tax services to Ellis Fabrications Inc. and any affiliated persons described in Section 1 below (collectively referred to as you or your). We believe it is important for you to have an understanding of the nature and scope of our tax services so that our services can meet or exceed your expectations. Please take the time to review this Engagement Letter and the related items described below.

This Engagement Letter sets forth the general terms, conditions and limitations governing our client relationship. The Standards of Services described in Section 2 below set forth general standards, terms, conditions and limitations applicable to the scope and nature of the tax services we will provide to you. Each individual project involving our tax services will be described in a Statement of Work as described in Section 3 below. Taken together, the Engagement Letter, the Standards of Services and the Statement(s) of Work will constitute your and our mutual agreement concerning the tax services that we will provide to you.

After you have had an opportunity to review this Engagement Letter and the attached Standards of Services, please sign a copy of this Engagement Letter where indicated below and return the signed letter to us. Please note that handwritten changes to this Engagement Letter, to the Standards of Services or to any Statement of Work will have no legal effect. If you have any questions, please call your RSM engagement partner or team member.

1. Clients for Purposes of this Engagement Letter.

For the purposes of this Engagement Letter and the Standards of Services, our clients will be and the term “you” will refer to: Ellis Fabrications Inc. and any corporations, partnerships, or other business entities that are directly or indirectly owned, controlled or managed by Ellis Fabrications Inc. and which are named or identified in one or more Statements of Work. Our client(s) with respect to any individual Statement of Work will be those entities described in the preceding sentence that are expressly named or clearly described in that Statement of Work. Neither this Engagement Letter, the Standards of Services nor any Statement of Work will create any client relationship between us and (i) any natural person or (ii) any entity other than those described in the two preceding sentences.

2. Standards for Tax Services. (a) Attached to this Engagement Letter is a copy of the “Standards of Services in Tax Matters for Business Taxpayers” (the Standards of Services). These Standards of Services

describe certain customary practices that we will employ in delivering tax services to you. These standards are based in part on the requirements of applicable law and professional standards, and we have found that they allow us to provide our services in a cost effective manner that meets our clients’ expectations in most tax engagements.

(b) We will be happy to consider expanding or modifying the scope of our services beyond those described in the Standards of Services, but any expansion or modification must be consistent with applicable laws and professional standards and must be clearly set forth in a Statement of Work. Therefore, except as provided in Section 3(b), the Standards of Services will apply to the performance of our services relating to tax return preparation, tax advice, planning and consultation, representation in any audit, administrative appeal or other tax controversy matter, accounting for income taxes, preparation of foreign information returns, or any other Federal, Provincial, or foreign tax matter.

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(c) We may supplement or revise the Standards of Services from time to time, in which case we will provide you with a copy of the supplemented or revised Standards of Services in electronic or paper format. The supplemented or revised Standards of Services will apply to all services under any Statement of Work entered into on or after the date on which we deliver supplemented or revised Standards of Services to you.

3. Statements of Work. (a) All tax services to be performed by us and the determination of the amount of our fees relating to those services must be described in a Statement of Work. Each Statement of Work will (i) provide details on the nature of the work and any expected deliverable and (ii) provide the basis for determining the amount of our fees and the time for invoicing and payment of our fees. Subject to Section 3(b), each Statement of Work will be subject to this Engagement Letter and the Standards of Services. Our services will be limited to the services specifically described in that Statement of Work. Our agreement to perform services under any particular Statement of Work does not obligate us to perform any other services under any other Statement of Work.

(b) A Statement of Work may modify any provision of this Engagement Letter, but only if that Statement of Work is signed by both you and us. A Statement of Work may modify the Standards of Services, but only if that Statement of Work is signed by both you and us. Any modification of the terms of this Engagement Letter or of the Standards of Services must be clearly and unambiguously expressed in the Statement of Work. Any modifications contained in a Statement of Work will apply only to that particular Statement of Work.

(c) We may provide you with a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted the Statement of Work unless you notify us in writing of any objections within 15 business days following your receipt of the Statement of Work.

(d) A Statement of Work may be amended or superseded, in which case we will provide you with an amendment to or a restatement of a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted amendment or restatement unless you notify us in writing of any objections within 15 business days following your receipt of the amendment or restatement.

(e) A Statement of Work will be deemed to have been completed upon the earliest of (i) our mutual agreement that the Statement of Work has been completed, (ii) 90 days following the completion of services and delivery to you of all deliverables described in that Statement of Work or (iii) the passing of 365 consecutive days during which we perform no services with respect to that Statement of Work.

4. Your Responsibilities. (a) In order for us to provide effective services, you must cooperate with us and provide us with any information that we request at the times and in the format that we request. You must cause your employees and contractors to cooperate fully and timely with us. You must designate for us a person authorized to make or obtain all management decisions with respect to our services on a timely basis. We will rely in good faith on all information and management decisions communicated to us by you, your employees or your contractors, and we will not be responsible for any loss or other obligation arising from that reliance. Any failure to fulfill your responsibilities may adversely affect our ability to provide our tax services and will be grounds for our suspending or terminating our services.

(b) If you do not respond to a request from us for information by the date specified in the Statement of Work or in our request for information, or if you provide us with incomplete information, we may use alternative procedures to obtain information necessary for us to provide you with the tax services in accordance with the applicable Statement of Work. However, if we use alternative procedures due to your failure to timely and completely respond to a request, then we will not be responsible for any error or omission that could have been avoided had you timely and completely responded to our request for information. In addition, if you do not timely respond to a request for information or if you provide us with incomplete information, our fees for services may be higher than as set forth in the applicable Statement of Work.

5. Requests for Services. In responding to requests for services made by your officers, managers, employees or agents, we will presume that all requests have been authorized by your internal procedures. If you wish to limit the individuals who can request services, you must notify us of any limitations in writing.

6. Fee Arrangements. Except to the extent provided by a particular Statement of Work, our fees will be based on the time required for work performed, the complexity of any technical issues addressed, the need to confirm information or to perform accounting

work as a precondition to our services, the impact of deadlines and any delays in receiving necessary information from you or from third parties. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns.

7. Billing and Payment; Suspension of Services.

(a) Except to the extent provided by a particular Statement of Work, our fees and expenses will be billed on a regular basis. If we are entitled to bill you for certain direct expenses and at the time of our invoice to you we have not received a third party bill for any such expenses, then we may at our option (i) include a reasonable, good faith estimate of the amount of those expenses on our invoice or (ii) send one or more separate invoices for those expenses following our receipt of the third party bill. Each invoice is payable upon receipt of the invoice. If you believe that any invoice is incorrect or if you wish to dispute any invoice, you must notify us in writing within 60 days of your receipt of the invoice. We reserve the right to charge interest on the undisputed portion of any invoice that is not paid within 60 days of your receipt of that invoice.

(b) If you fail to pay any invoice when due, we reserve the right (if permitted by applicable law and professional standards) to withhold any tax return, Tax Advice, other deliverable, document or file until your account is paid in full or you have made other payment arrangements satisfactory to us. In addition, if you fail to pay any invoice when due we reserve the right to suspend performance of our services until your account is paid in full or you have made other payment arrangements satisfactory to us. Our suspension of services will not affect your obligations to us under this Engagement Letter, the Standards of Services or any Statement of Work.

8. Confidentiality. (a) We will maintain the confidentiality of your Confidential Information, subject to the provisions of this section. Except as provided in the following sentence, "Confidential Information" means (i) information contained in your internal financial and business records, (ii) information reported on your tax returns, (iii) Personal Information as defined in Section 8(b) and (iv) other information concerning you or your business that is marked "confidential" or otherwise identified as "confidential" in

writing at the time of disclosure. Confidential Information does not include information (x) that is or becomes publicly available or generally known to persons in your industry without breach of our obligations under this section or (y) received by us after the termination of this Engagement Letter.

(b) Personal Information is data about an identifiable individual where there is a serious possibility that an individual could be identified through the use of that information, alone or in combination with other information, including, but not limited to, information such as social insurance numbers, driver's license numbers or provincially-issued identification card numbers, health information, and other personal information as defined by applicable laws.

(c) To protect your Confidential Information, you agree that you will not disclose any Confidential Information to us except as we request or as necessary for us to provide our services. Additionally, you agree that you will not (i) transmit to us, in any manner, Personal Information that is not necessary for us to provide our services or (ii) transmit to us Personal Information in an unencrypted format or via an unencrypted means. Notwithstanding the foregoing, in the event you transmit to us Personal Information in an unencrypted format or via an unencrypted means, we will accept the information required for us to provide our services and we will have no obligation to notify you. We will use commercially reasonable precautions to protect your Confidential Information, including appropriate technical, administrative, and organizational safeguards but we will have no obligation to employ any measures that are more restrictive than you regularly employ. (d) You agree that you will provide all notices and obtain any consents required under applicable laws prior to your collection, use and disclosure to us of any Personal Information, and you will take reasonable steps to ensure that any Personal Information that you provide to us does not include irrelevant or unnecessary information about any individuals.

(d) We may disclose your Confidential Information to our partners, principals, employees and third party contractors as necessary to provide our services, including without limitation the disclosures authorized by Section 15. Without limiting the foregoing, we may in certain circumstances disclose your Confidential Information to software vendors for the purpose of obtaining technical support in the course of providing services to you, but it is our policy to require these vendors to maintain the confidentiality of Confidential Information disclosed to them. We may also disclose Confidential Information if required by a court or

governmental agency, but we will use commercially reasonable efforts to inform you prior to disclosure to the extent permitted by law.

(e) We will use Personal Information provided by you, (if any) only for the purposes described in this Engagement Letter or any Statement of Work. As part of the performance of services for you under this Engagement Letter and as part of our direct business relationship with you, we may use Confidential Information to enhance our services, conduct data analytics, conduct market or other similar analysis, or for other similar business purposes. In addition, we may use your Confidential Information provided to us for the purpose of creating benchmarking data to be used by our professionals and shared with other clients. Any such benchmarking data will be in a format that users are unable to associate the information with any specific source. Additionally, in performing any services under a Statement of Work, we may arrange for one or more RSM Network Firms or third party contractors to provide services to you. In the event our services involve Personal Information collected in Canada, we, our third party contractors or RSM Network Firms performing the services may store, transfer and process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to ensure that appropriate protections are in place to require third party contractors and RSM Network Firms to maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

9. Data Protection Compliance; Third Party Products. (a) RSM's Privacy Policy (the Privacy Policy) is located on RSM's website at <https://rsmCanada.com/who-we-are/privacy-policy.html>. The Privacy Policy may be amended or terminated from time to time in our sole discretion and without prior notice. You acknowledge that you have read and understand the Privacy Policy and agree to the practices as described therein.

(b) You agree that prior to disclosure of the following Confidential Information to us, including without limitation Personal Information, you will identify any personal, technical or other data provided to us pursuant to this Engagement Letter that may be

subject to heightened protections under applicable privacy, cybersecurity or data protection laws, including but not limited to personal health information or financial information, prior to any transfer or disclosure to us. Upon your written request, we will discuss with you in good faith entering into a mutually acceptable agreement relating to the lawful cross-border transfer and processing of your Personal Information.

(c) We and you may also correspond or convey information and documentation, including Confidential Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, as defined in Section 9(d), such as email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and you acknowledge that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure or use, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect your Confidential Information. We offer our clients various platforms for the exchange of information which may require additional user terms and conditions which will be made available to you prior to the use of such platform (whether by a link, click-through, or otherwise). You hereby agree that you will be bound by and comply with any and all user terms and conditions made available with respect to the platforms. If you are concerned about the security of particular information, please contact us to discuss alternative arrangements.

(d) We may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, Third Party Products).

(e) You acknowledge that your or our usage of a Third-Party Product may involve the input, movement, transfer and storage of your data or Confidential Information within the infrastructure provided by the Third-Party Product, and that the terms of use and service set forth in the end user licensing agreement or other agreements with the licensor of a Third-Party Product will govern all obligations of the licensor relating to data privacy, storage, recovery, security, and processing within a Third-Party Product's

infrastructure, as well as, the service levels associated with a Third-Party Product.

(f) You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. You agree that we will not be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including without limitation any Confidential Information, resulting from your or our use of a Third-Party Product.

10. Privilege Considerations. In certain circumstances, information that you disclose to us could be the subject of a claim of privilege, but you must generally assert and maintain the privilege claim. Claims of privilege involve considerations of law other than tax law, as well as the costs of asserting a privilege. You should contact your legal counsel if you have questions concerning the availability of any privilege or how and whether to assert a privilege.

11. Use of Information in or from Accounting and Attest Services. (a) If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, information from or relating to your tax returns may be relevant to financial statement reporting or to other accounting or attest services. If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, (i) we may use and rely on any information that we obtain in such an engagement in performing any tax services to which this Engagement Letter relates and (ii) you authorize us to use your tax returns and any information we receive or develop in providing tax services in performing these audit, review, compilation or other accounting or attest services.

(b) Financial statement audits and reviews are not designed or intended to examine or address every potential income or other tax issue. Even if you engage us to perform any audit, review, compilation or other accounting or attest services, we may still rely on information in the manner provided in this Engagement Letter, the Standards of Services and any applicable Statement of Work.

12. Limited Disclosure of Information for Evaluating Independence. RSM Alberta LLP is a member of RSM International, a network of

independent accounting firms. Professional standards require us to evaluate auditor independence taking into consideration both our services to you and your affiliates and any services to you and your affiliates performed by other member firms of RSM International. To permit us to comply with these independence rules, you agree that we may disclose to and discuss with RSM International and its member firms (i) the name of any entity that is or could become a "client" under Section 1, (ii) any ownership relationship between that entity and any natural person or other entity, and (iii) the nature of the services that we perform. The disclosure of information authorized by this section will be solely for the purpose of evaluating independence of RSM Alberta LLP and other RSM International firms under applicable professional standards.

13. Confirmation of Management Responsibility. Professional rules concerning auditor independence require that we confirm your overall responsibility for evaluating our services under any Statement of Work, and a failure to confirm your management responsibility could affect our independence. You have indicated that Jim Foley will exercise all management responsibility for overseeing our services under any Statement of Work, for evaluating the adequacy and accepting the results of our services and for making all management decisions with respect to our services. You may from time to time designate another individual to exercise this management authority by written notice to us, but in no event can you designate an individual who is a partner, principal or employee of any member firm of RSM International, including RSM Alberta LLP. By designating an individual to exercise this management authority, you are representing to us that such individual has the necessary skill, knowledge and experience to understand, evaluate and oversee our services.

14. Independent Contractor. For all tax services that we perform, we will be an independent contractor and not your employee, agent or partner, and we will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their applicable employee withholdings. You will retain all authority to oversee and evaluate our services under any Statement of Work and to make all decisions with respect to the tax return reporting of any item or any matter that is the subject of our advice.

15. Engagement of Other Parties. In performing any tax services, we may engage the services of other domestic tax preparers, including seasonal preparers,

independent contractors or other third party personnel. By engaging us, you authorize us to allow such third parties access to your files, financial information and other confidential information subject to the provisions of Section 8. Our engagement of any third party does not affect our obligations to you.

16. Conflicting Engagements. If at any time we determine in our sole discretion that a conflict of interest exists that prevents us from providing our services in accordance with applicable ethical rules, we will notify you of the conflict and we may withdraw from representing you to the extent that such withdrawal is required or permitted by applicable ethical rules.

17. Newsletters and Similar Communications. We may as a courtesy from time to time send newsletters, emails, explanations of tax law developments or similar communications to selected clients, former clients or other interested parties. These communications are of a general nature, are not definitive advice and are not intended to be relied upon in any transaction or any tax position. We do not send all such communications to all clients, former clients or interested parties. These newsletters do not establish or continue a client relationship with any person and they do not constitute an undertaking on our part to monitor tax or other issues for you or for any other parties. Pursuant to Canada's Anti-Spam Legislation ("CASL"), we seek your consent on your own behalf and on behalf of your employees to utilize electronic messages to communicate with you for the delivery of services and to receive newsletters, marketing materials and other information about our services. We seek your consent on behalf of RSM Alberta LLP, RSM Alberta Consulting LP, RSM Alberta Corporate Finance Inc., and RSM Alberta Limited. By signing below, you have consented to our use of your contact information to send you such newsletters or other communications. You may opt in to receive certain newsletters or other communications, and you may also opt out of receiving any communications that are unrelated to our services by notifying us in the manner described in the particular communication or by contacting the RSM professional responsible for your services.

18. Intellectual Property Rights. We will deliver to you the tax returns, tax advice or other deliverables expressly enumerated in the applicable Statement of Work, subject to the terms of this Engagement Letter, the Standards of Services and the Statements of Work. These deliverables may be provided to you in paper or electronic format. Except as expressly stated in the applicable Statement of Work, we will have no

obligation to provide any deliverable in an electronic format that is capable of being modified or edited. All our work product and files will remain our property and we retain all copyrights and other intellectual property rights with respect to our work product.

19. Documents and Files. (a) Our files are generally maintained in electronic format. If you provide us with a paper document, we will generally scan that document to electronic format and discard the paper version. Accordingly, you should not provide us with any paper document that you wish to retain in paper format.

(b) Upon your written request, we will return to you copies of all documents then in our possession that were provided to us by you or on your behalf in connection with the performance of our services. If required by applicable law or professional standards, we will also provide to you upon your written request copies of other documents or records relating to our services. The documents and records we provide to you may be provided in paper or electronic format. We will have no obligation to provide any document or record in an electronic format that is capable of being modified or edited. We may retain copies of these documents and records for our files.

(c) We, in our sole discretion, may provide you with access to or copies of other documents or workpapers in any format (including an updatable electronic format) beyond what is required by the applicable professional standards or codes of conduct, but you will be obligated to pay all costs associated with such access or copies.

20. Document Production and Testimony. If we are requested or authorized by you, or if we are required by government regulation, subpoena or other legal process, to produce any documents or files, or to make our personnel available as witnesses with respect to any engagement, you will (so long as we are not a party to the proceeding in which the information is sought) pay us for our time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such requests.

21. Record Retention. (a) Our current policy (which we may revise at any time and in our sole discretion) is to retain copies of tax returns and certain related workpapers for six years after the return is filed, subject to casualties beyond our control. We provide our clients with a file copy of each income tax return and we recommend that you retain copies of all returns.

(b) Although taxpayers are not generally required to retain their tax records for longer than six years, there

are situations in which tax returns older than six years may contain information useful in future tax planning or may be subject to reassessment or audit. For example, prior year returns may contain information relating to tax elections or to the basis of assets for gain/loss calculations, and corporations may use tax return information in calculating "safe income" for corporate tax planning. We recommend that taxpayers consider maintaining separate accounting records or workpapers with this information, and we will not maintain these separate records except as expressly described in a Statement of Work. If you would like us to assist you in developing these separate records, please contact us to discuss the scope of such a project.

(c) It may also be advisable to retain accounting or tax records for longer than six years for reasons unrelated to taxes. Decisions regarding document retention may involve a variety of legal considerations (e.g. statutes of limitations, rules of evidence), so you may wish to consult your legal counsel to address these legal considerations.

22. Uncontrollable Delays. The time for performance of any of your or our obligations (other than the obligation to pay money due) will be extended for a reasonable time in the event of causes beyond your or our reasonable control, including without limitation acts of God, war, acts of government, fire, flood, epidemic, pandemic or outbreaks of communicable disease, riot, strike or labor problems, sabotage, internet or other system or network outages, cyberattacks, delays in obtaining labor, materials, equipment or transportation or other similar causes beyond the control of either party

23. Warranty and Limitation. We warrant that our services will be performed with reasonable care in a diligent and competent manner in accordance with the professional standards for tax services applicable to the individuals providing those services. **THIS IS OUR ONLY WARRANTY CONCERNING OUR SERVICES AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ALL OF WHICH ARE HEREBY DISCLAIMED.**

24. Disclaimer of Legal and Investment Advice. Our services under this Engagement Letter, the Standards of Services and any Statement of Work do not constitute legal or investment advice. We recommend

that you retain competent legal counsel and investment advisers.

25. Indemnification for Breach. Subject to the provisions of Sections 23, 26 and 27, each party will indemnify the other for any loss, liability or obligation arising out of or relating to a failure to fulfill its obligations under this Engagement Letter, the Standards of Services or any Statement of Work.

26. Opportunity to Cure and Liability Limitations.

(a) In the event that we fail to meet our obligations under this Engagement Letter (including without limitation Section 23), the Standards of Services or any Statement of Work, you must notify us in writing and provide us with the opportunity to re-perform the services.

(b) If the services cannot be re-performed, or if re-performance will not cure the breach or mitigate any damages caused by the breach, then your remedy will be for us to refund our fees under the affected Statement of Work up to the amount of your direct damages caused by our failure to meet our obligations. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to our services under any Statement of Work exceed the amount of fees actually paid to us under that Statement of Work. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to all other obligations under this Engagement Letter or the Standards of Services exceed the amount of fees accrued and paid to us under all Statements of Work during the twelve months immediately preceding the first such breach of any such obligation.

(c) In no event will we be liable for loss of profits or any consequential, indirect, special, exemplary or punitive damages or for any losses or costs incurred relating to any government or regulatory action, investigation, enforcement action or fine.

27. Time Limitation on Claims. No claim or action by either party, regardless of whether the claim is in contract, in tort, at law or in equity, arising out of or relating to any matter under this Engagement Letter, the Standards of Services or any Statement of Work may be brought by either party after the earlier of (i) 24 months after the party first knows or has reason to know that the claim or cause of action has accrued or (ii) 60 months following the completion of the services under the affected Statement of Work. This Section may shorten, but in no event will it extend, any period

of limitation on actions otherwise provided by applicable law.

28. Effect on Other Agreements. The provisions of Sections 26 and 27 will not limit our obligations or liability under any separate agreement for the provision of audit, review, compilation or other accounting or attest services.

29. Liability of Other RSM International Firms. RSM Alberta LLP is a member of RSM International, a network of independent accounting, tax, and consulting firms. Neither RSM International nor any member firm other than RSM Alberta LLP will have any obligation or liability to you under this Engagement Letter, the Standards of Services or any Statement of Work.

30. Termination. (a) You may terminate this Engagement Letter or any Statement of Work at any time by written notice to us. Subject to any restrictions imposed by applicable ethical rules, we may terminate this Engagement Letter or any Statement of Work at any time upon written notice to you. Termination for any reason will not affect your obligation to pay us for fees and expenses incurred prior to termination or in transferring files to and otherwise cooperating with any successor tax preparer or tax advisor.

(b) If you terminate any Statement of Work providing for a fixed fee after we have commenced performing services under that Statement of Work, then upon termination you will be obligated to pay us a portion of the fixed fee based upon the proportion of the amount of work completed under the Statement of Work in relation to the total amount of work expected to be required to complete the Statement of Work.

31. Survival of Provisions. All provisions of this Engagement Letter, the Standards of Services and the applicable Statement(s) of Work will survive the termination of this Engagement Letter or any Statement of Work, except that (i) we will not have any obligation to provide services after termination and (ii) except as provided in Sections 19, 20 and 30, you will not have any obligation to pay us for any services that we perform after termination.

32. Entire Agreement; Interpretation. This Engagement Letter, the Standards of Services and the Statements of Work represent our entire agreement and understanding concerning our delivery of tax services to you, and they supersede all prior and contemporaneous agreements, including without limitation, any nondisclosure agreements. All provisions in this Engagement Letter, the Standards of Services and the Statements of Work must be

construed according to their fair meaning and not strictly for or against any party. The headers, footers, trademarks and service marks are included for reference and branding purposes only and will not affect the meaning of any other provision of this Engagement Letter.

33. Amendments, Waivers and Consents. Except as provided in Section 3, this Engagement Letter may not be amended except by our mutual written agreement. No waiver of any breach of this Engagement Letter, the Standards of Services or any Statement of Work will be effective unless the waiver is in writing and signed by the party against whom the waiver will be enforced. No waiver of any one breach will be deemed a waiver of any other or subsequent breach.

34. Writing and Signatures. (a) For the purposes of this Engagement Letter, the Standards of Services or any Statement of Work a communication will be deemed to be "in writing" if it is in paper format or in an electronic format capable of being read and being reduced to paper format.

(b) For the purposes of this Engagement Letter (including without limitation Sections 3, 33 and 35), the Standards of Services or any Statement of Work, a document may be "signed" by you or by us either manually or electronically meeting any requirements established pursuant to the applicable laws regulating electronic commerce.

35. Assignment; No Third Party Beneficiaries. You may not assign this Engagement Letter, the Standards of Services or any Statement of Work to any other party without our prior written consent signed by our duly authorized partner, principal or employee, except that you may assign all of this Engagement Letter, the Standards of Services and all Statements of Work then in effect to any party that acquires substantially all of your assets and goodwill. This Engagement Letter, the Standards of Services and all Statements of Work will be binding on our and your respective successors and assigns. There are no third party beneficiaries to this Engagement Letter, the Standards of Services or any Statement of Work except as expressly provided in the applicable Statement of Work. Any Statement of Work that proposes to name a third party beneficiary of our services must be signed by us in order to be binding on us.

36. Governing Law. This Engagement Letter, the Standards of Services and the Statements of Work and any dispute or claim arising out of or relating thereto will be governed by and construed in accordance with the laws of the province in which our office providing the majority of our services under this

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Engagement Letter is located, without regard to provisions governing conflicts of laws. All litigation or other legal proceedings will be brought in the Provincial or Federal courts located in that province. The parties agree to this choice of law, jurisdiction and

venue, and waive any defense of an inconvenient forum.

Sincerely,

RSM Alberta LLP

Bob Boser, B.Comm., CPA, CA
Partner

This Engagement Letter, the Standards of Services and the Statement(s) of Work are binding on all entities deemed to be a client under Section 1 above, and each signatory below represents that he or she has the legal power and authority to act on behalf of and to bind each of those entities.

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Ellis Fabrications Inc.

Jim Foley

Date

Express consent to receive electronic communications pursuant to Canadian Anti-Spam Legislation (CASL). I have authority to bind the corporation and I have authority to grant consent for receipt of commercial electronic messages on behalf of the employees.

Signature and Title

Date

In the course of delivering tax services to our clients or to third parties (you), RSM Alberta LLP (we or us) applies customary practices intended to provide our services in a cost effective manner and in accordance with applicable law and professional standards. This document describes the standards for performance of our services (these Standards) relating to tax return preparation, tax advice and consultation, representation in any tax controversy matter, tax information return filings, accounting for taxes or any other Federal, provincial, or foreign tax matter.

These Standards do not constitute an agreement to provide tax services. Our agreement to provide specific tax services can only be made in the manner provided in an engagement letter signed by both you and our duly authorized partner, principal or employee (the Engagement Letter). The scope of services for a particular project will be set forth in a statement of work delivered in the manner provided in the Engagement Letter (each, a Statement of Work). These Standards may be modified for a particular project, but only to the extent we expressly agree in a Statement of Work signed by our duly authorized partner, principal or employee. Modification of these Standards in a Statement of Work will apply only to the specific services described in that Statement of Work.

These Standards reference certain tax return, reporting, withholding or other requirements frequently encountered by business taxpayers under Federal and provincial law. However, the description of any referenced requirement is only a summary as of the date these Standards were released and is not a comprehensive description of the referenced requirements. In addition, there are many other requirements under applicable law that are not referenced in these Standards.

We may revise these Standards by providing you with a copy of the revised Standards in the manner provided in the Engagement Letter. The revised Standards will apply to all Statements of Work subsequently or simultaneously delivered to you.

References in these Standards to the “Act” mean the Income Tax Act (Canada) and Regulations issued thereunder, as amended. “Tax Advice” has the meaning set forth in Section 4.1.

1. Standards Applicable to all Tax Services

1.1 Scope of Our Services. The scope of our services will be limited to the services specifically described in the applicable Statement of Work. If you require services beyond those specifically described in a particular Statement of Work, these additional services would require either a separate Statement of Work or an expansion of an existing Statement of Work at an additional cost.

1.2 Decisions. While we may provide you with advice concerning tax return reporting and tax consequences of certain transactions, you will retain all authority and responsibility for making any decisions based on our advice.

1.3 Reliance on Information. Except as provided in the applicable Statement of Work, we will not investigate or verify any facts underlying the transactions reported on your tax return, but we will rely on the financial and other information that you provide us and any financial information that we receive in connection with any assurance services we provide to you. If the actual facts are different from the facts represented to or understood by us, or if there are other facts of which we are not aware, the tax return reporting of the transactions or the conclusions in our Tax Advice could be materially different than that reported on the returns prepared by us.

1.4 Possibility of Litigation. If the Canada Revenue Agency (CRA) or another tax authority adopts a position contrary to any analysis or conclusions in our Tax Advice or to any position reported on a tax return, it might be necessary to pursue administrative appeals or litigation. Decisions of whether and how to pursue administrative appeals or litigation may be based on considerations of cost, publicity and other matters unrelated to the technical merits of a tax position. In some cases, taxpayers elect not to pursue appeals or litigation even though a reported position may ultimately be sustained on appeal or in litigation.

1.5 Changes in Law. Subsequent changes to applicable law or regulations, or the issuance of new case or ruling authority, could materially and adversely affect the analysis and conclusions in an item of Tax Advice or a position reported on a tax return. Neither the delivery of any Tax Advice nor the preparation of a tax return is an undertaking on our part to monitor or to advise you concerning any changes in law subsequent to the date of the Tax Advice or the delivery of the tax returns.

2. Tax Return Preparation

2.1 Scope of Return Preparation Services. Our services in preparing your tax returns are limited to tax return preparation, and our preparation of a return should not be viewed as assurance that any particular reported position is likely to prevail in the event of a

challenge by the CRA or another tax authority. If we become aware of a return position for which we believe a penalty under the Act is likely to apply, we will bring that position to your attention. If you would like us to advise you concerning any specific matter on your tax return, please contact us to discuss expanding the scope of our services. Any Tax Advice rendered in connection with the preparation of any tax return is subject to the provisions described under "4. Tax Advice" below. Tax return preparation and tax advisory services do not include representation in the event of an audit by the CRA or other tax authorities.

Tax return preparation services do not constitute accounting or auditing services. In addition, tax return preparation services are not designed to disclose defalcations or other irregularities, should any exist. Conversely, financial statement audits and reviews are not designed or intended to examine or address every potential income tax issue. In addition, certain potential adjustments that are deemed immaterial for financial statement reporting purposes may be required for tax reporting purposes. Please contact us if you would like us to review any specific financial statement items for compliance with applicable tax laws.

In the course of preparing tax returns, we may prepare schedules or perform accounting work as we deem necessary to prepare your returns in accordance with applicable law and professional standards. These schedules and accounting work are solely for the support of our tax return services, and may not be appropriate for financial statement or other purposes.

2.2 Our and Your Respective Responsibility for Accuracy. We will exercise due professional care and judgment to include all required information in your tax returns. The Act provides that by signing or authorizing the electronic filing of your returns, you are verifying that they are true, correct and complete. Accordingly, you should review each tax return carefully before signing the return or any e-filing authorization and bring any questionable items or any omissions to our attention.

2.3 Jurisdictions for Returns. We will prepare tax returns for those Federal, provincial, and foreign jurisdictions described in the applicable Statement of Work. We will advise you if we believe, based on the information that you provide us, that a tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval of the expansion of our scope of services. It is important that you inform us of any new or expanded activities that could trigger filing requirements in additional province(s), such as the acquisition of property or the hiring of employees in a new province. Activities of a partnership, trust or other flow-through entity in which you are an owner or beneficiary may also trigger additional provincial tax filings, so please contact us if you have acquired an interest in any such entity over the past year.

2.4 Deductions, Credits and Other Tax Incentives. If we determine that you are eligible for any tax credit, exclusion or deduction, we will either apply any such tax benefit in preparing your tax returns or we will advise of its availability and any related considerations to permit you to decide whether to take advantage of the tax benefit. Your eligibility for certain tax benefits will in some cases depend on the existence of certain documentation and may require tax research beyond the scope of tax return preparation services. Separate filings may be required in respect of certain credits to be claimed which do not form part of the tax return and which may not be late filed.

There are numerous tax credits, exclusions and deductions for which a detailed review of business or investment activities would be required to determine their availability. Such a detailed review is beyond the scope of tax return preparation. If you would like us to undertake a detailed review of your activities to identify tax credits, exclusions or deductions, please contact us to discuss the terms of an engagement for these services.

2.5 Level of Assurance. Except as expressly provided in an applicable Statement of Work, we will not review any reporting position or perform any tax research for the purpose of either (i) determining whether a position can be reported or (ii) determining whether tax penalties may apply. If you wish to report a position on the return, or if you are concerned about the potential application of tax penalties, please contact us to discuss expanding the scope of our services to include Tax Advice that may address your concerns.

2.6 Disclosure of Transactions and Information Return Filings. The Act and certain provincial laws require that you disclose on or with your tax return certain transactions or other financial information in the form of separate information return filings. There may be significant financial penalties for failure to file a required information return even if there is no understatement of tax or tax liability associated with the information return. Our tax return preparation services do not include any separate investigation to evaluate whether there are any transactions or other matters that must be disclosed on your returns, but we will advise you if we conclude that any such disclosure is required. If you would like us to specifically review any transaction or matter to evaluate whether specific reporting is required, please contact us to discuss expanding the scope of our services.

2.7 Amended Tax Returns. If you engage us to prepare any amended tax returns, our services will be limited to the reporting of the items on the amended returns that are changed from the position reported on the original (or last filed amended) returns. We will rely without investigation on the previously filed returns with respect to any position that is not amended and we will have no obligation or responsibility under this letter with respect to any such position.

2.8 Electronic Filing of Tax Returns. Federal and provincial tax laws mandate the electronic filing of certain tax returns. In some cases, a taxpayer may elect to file a tax return in paper format and in other cases an election to opt out of electronic filing is not available. Occasionally, technical limitations prevent the electronic filing of a particular return.

We will use our best efforts to electronically file your tax returns. Prior to electronic filing, we will provide you with the information to be included on your return for your review and approval. Federal and provincial laws require that we obtain your written authorization prior to electronically filing a return, so it is critical that you sign and return the authorization form to permit electronic filing by the return's due date.

If we cannot electronically file any tax return, whether due to technical limitations or for any other reason, we will provide you with those returns for filing in paper format. If any return is provided to you in paper format for filing, it is critical that you sign, date and mail that return by its due date.

2.9 Your Copy of Your Tax Returns. We will provide you with an electronic copy of the tax return or the required information in a *.pdf* or similar format. If you would like to receive a paper copy in lieu of the electronic copy, please notify us in writing as soon as possible.

2.10 Notices. Occasionally, the CRA or other Provincial tax authority will send a notice of reassessment recalculating tax liability or requesting additional documentation following the filing of a tax return. If you receive such a notice, you should forward a copy of the notice to us as soon as possible since a notice may in some cases affect future tax services and require responses within a specified time frame. In addition, we will at your request assist you in responding to any notice relating to any of your tax returns that we prepare.

2.11 Use of Tax Returns. Because of their special purpose, nature and format, income tax returns do not constitute financial statements prepared in accordance with international financial reporting standards. The tax returns should be used only for income tax purposes and must not be used as a substitute for financial statements.

3. Estimated Taxes

3.1 Estimated Taxes. Federal and provincial laws require taxpayers to make estimated tax payments relating to their current year tax liability, and a failure to make adequate estimated tax payments to the Receiver General or to a provincial tax authority could result in tax penalties.

An engagement to prepare annual tax returns will not include services for estimated tax planning or preparation unless expressly stated. If you engage us to

assist you in calculating estimated tax payments, you must provide us with the information we request and with any other information relevant to your tax liability (including information concerning the allocation or apportionment between provinces) at least 30 days prior to the due dates of your estimated payments. If you would like us to assist you with estimated tax planning, you should contact us at least 45 days prior to the due date of the next estimated tax payment.

In calculating the amount of any estimated tax payment, we will rely on information that you provide and we will not audit or otherwise verify this information. In the event that the information you provide is different from the actual amounts of income, gain, deduction or loss, the amount of tax liability on your tax returns may be different from the aggregate amount of the estimated tax payments made. If the actual amount of that liability to any jurisdiction exceeds the aggregate estimated tax payments made to that jurisdiction for any period, it is possible that a tax penalty and applicable interest charges could apply.

3.2 Schedules of Estimated Tax Payments. At the time we deliver your tax returns to you, we may provide you with a schedule of estimated tax payments for the current year. Unless otherwise expressly stated on the schedule, the payments on any such schedule will be based solely on your prior year tax liabilities from the Federal and provincial income tax returns that we prepare on your behalf. While the payments will be intended to avoid Federal and provincial penalties for the underpayment of estimated taxes and any applicable interest thereon, your actual current year income tax liabilities could be materially different from the aggregate amount of these payments. In that event you may owe tax penalties and any applicable interest charges.

4. Tax Advice

4.1 What Constitutes Tax Advice. Any definitive advice concerning any tax matter depends on the particular facts of your situation, as well as the law and related authorities (e.g. regulations, case law, rulings etc.) that apply to those facts. Our professional standards require that we exercise appropriate due diligence in providing tax advice, taking into consideration the scope of our engagement and the type and specificity of the advice that you request. This due diligence may require review or confirmation of certain facts and research concerning applicable tax authorities. In order to confirm our mutual understanding regarding material facts and to provide you with an understanding of any particular risks associated with any tax positions addressed, all definitive advice that we provide concerning any tax matter (Tax Advice) must be in writing in the form of a letter or a memorandum.

We are happy to discuss with you our views regarding the tax treatment of certain items. We may also provide you with tax information in the body of an email.

However, any communication or information delivered to you orally or in the body of an email (as opposed to a letter or memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions.

Because of these limitations and the related risks, oral and email communications will not be deemed Tax Advice, and it may not be appropriate for you to proceed with any transaction or any tax return reporting solely on the basis of any oral or email communication. We recognize that in some cases you may choose to proceed without obtaining Tax Advice due to considerations of cost, timing and your evaluation of potential risks. If you choose to proceed with any transaction or tax return reporting position without obtaining Tax Advice from us, then you accept all responsibility for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of Tax Advice that is delivered to you as a document attached to an email.

In providing our tax services, we may provide you with tax or financial schedules and calculations. These schedules and calculations, standing alone, cannot adequately describe the merits and risks of any tax position or the assumptions underlying the schedule or calculations. Accordingly, these schedules and calculations should not be viewed as assurance of the correctness of any particular tax position. If you would like assurance regarding the tax positions upon which any schedule or calculation is based, please contact us to discuss the merits of our providing you with Tax Advice to support those calculations.

4.2 Facts and Assumptions. Our investigation to confirm or verify any facts described in any Tax Advice will be limited to the investigation described in the body of the Tax Advice, and we will rely on the facts, assumptions and representations described in the Tax Advice. Any change in or addition to these facts, assumptions or representations could materially and adversely affect our analysis and conclusions. If you for any reason believe that any facts, assumptions or representations in any Tax Advice are incorrect or incomplete, you must notify us immediately to discuss the impact on our analysis and conclusions. You should not rely upon any item of Tax Advice that is based on facts, assumptions or representations that you believe to be incorrect or incomplete.

4.3 Applicable Law. A majority of our Tax Advice addresses Federal income tax matters. Unless expressly stated in our Tax Advice, our analysis and conclusions will relate solely to Federal income tax consequences under the Act as of the date of our Tax Advice. If you would like us to address tax

consequences to you under any other applicable tax law, please contact us to discuss expanding the scope of our services.

4.4 Issues Addressed. Each item of Tax Advice will be limited to advice concerning the tax issues described in the Tax Advice, and it may not consider all of the issues that may arise in connection with the subject matter of the advice. Except as expressly stated in an item of Tax Advice, our advice is not an endorsement of any particular transaction structure or accounting method, nor is it a recommendation that any addressee proceed with any transaction or other matter described in the Tax Advice.

4.5 Level of Assurance for Tax Advice; No Guarantee. Many areas of tax law are unclear, and the application of the tax law to any particular facts may be subject to more than one interpretation. Our Tax Advice will be based upon our interpretation of applicable law and regulations and certain case and ruling authority as of the date of the Tax Advice. The level of assurance for any particular item of Tax Advice will depend on the underlying facts, the clarity of applicable law, regulations, case and ruling authority, and the extent of factual due diligence and tax research performed. The conclusions in our Tax Advice will be based on our good faith belief that they meet the level of assurance stated in the Tax Advice. Obtaining Tax Advice at a particular level of assurance may in some cases provide a defense to certain tax penalties, but you should not assume that an item of Tax Advice will offer you protection from penalties except as expressly stated in the Tax Advice.

A Statement of Work may indicate a desired level of assurance for Tax Advice addressing a particular tax position. Because the ultimate level of assurance with respect to any tax position will depend on our findings with respect to the underlying facts and the results of our tax research, no Statement of Work should be viewed as a binding commitment to deliver Tax Advice concerning any tax position at a particular level of assurance.

Our analysis and conclusions will be based upon our professional judgment, will not be a guarantee of the ultimate tax consequences of the transactions described in the Tax Advice and will not be binding on the CRA, any provincial or foreign tax authority, or any court. If you would like greater certainty regarding the tax treatment of any particular transaction, please contact us to discuss the possibility of obtaining a ruling from the appropriate tax authority.

4.6 Reliance and Distribution. Each item of Tax Advice is rendered only for the benefit of the named addressee(s), and does not address the tax consequences to any other person or entity that is not an addressee. No person or entity other than the named addressee(s) may rely on the Tax Advice.

To avoid confusion regarding matters of reliance, our Tax Advice may not be delivered to any other party unless you advise the recipient of these limitations on reliance. You may not include any item of Tax Advice in any prospectus, private placement memorandum or other document used to offer any securities or to otherwise obtain financing.

Unless expressly provided in an item of Tax Advice, but subject to the limitations in the preceding paragraph, you are free to share the Tax Advice with any third party. You may deliver a copy of any Tax Advice to the CRA or any provincial or foreign tax authority for the purpose of demonstrating good faith and reliance on the analysis and conclusions expressed therein.

5. Tax Controversy Matters

5.1 Audits and Appeals. (a) In connection with any audit of a return by the CRA or any other tax authority, we will perform the following services as we deem appropriate to properly respond to the audit:

- (i) assist you in responding to requests for information from the tax authority;
- (ii) conduct tax research and advise you concerning the merits of your reported tax position(s) and the merits of any potential challenge to your reported position(s);
- (iii) participate in meetings and conference calls with you and with representatives of the tax authority;
- (iv) prepare any amended tax returns required as a result of the audit;
- (v) prepare and file any taxpayer protest or other documents necessary for any administrative appeal; and
- (vi) assist you in evaluating the terms of any proposed assessment, settlement or appellate determination.

(b) We will consult with you throughout the audit or appeal concerning all significant services that we plan to perform. Except as required by law or by applicable professional rules, we will not perform any service that you have specifically asked that we not perform.

(c) In any audit, appeal or litigation, decisions whether to contest or to concede an assessment or a particular tax position are often affected by considerations other than the technical merits of a position (e.g. the costs of proceeding). We will use our best efforts to assist you in evaluating these other considerations.

5.2 Litigation. Should you ultimately choose to pursue litigation as a result of any assessment arising out of an audit, we would not be able to represent you in any court. If you choose to pursue litigation at any point, we strongly recommend that you retain legal counsel experienced in tax litigation matters. Although we cannot represent you in court, we would be able to assist your

legal counsel in understanding the facts of your case, the technical merits of your position and other matters we encounter during the course of our services.

6. Tax Withholding Matters

6.1 Nonresident and Foreign Owner Withholding.

Tax laws in some cases require taxpayers to withhold taxes on behalf of nonresident or foreign owners or beneficiaries and remit the taxes withheld. A failure to remit taxes required to be withheld may result in tax penalties and interest. If you engage us to assist you in calculating nonresident or foreign owner withholding tax payments, we will perform those calculations for those taxpayers identified in the applicable Statement of Work under Federal law. For us to calculate these amounts, you must provide us with the information we request, including information regarding nonresident or foreign owners or beneficiaries, at least 30 days prior to the date of any payment to a nonresident owner or beneficiary.

In calculating the amount of any nonresident or foreign withholding or payments, we will rely on information that you provide and we will not audit or otherwise verify this information. If the information you provide is different from the actual amounts of income, gain, deduction or loss allocated to any nonresident or foreign owner or beneficiary, the amount of the required withholding may be different from the amounts withheld or remitted. If the actual amount of the required withholding for any jurisdiction exceeds the aggregate withholding tax payments made to that jurisdiction for any period, it is possible that penalties and interest could apply.

7. Authorizations

7.1 Authorization to Communicate with Federal and Provincial Tax Authorities. In connection with your tax return filings, tax account administration, audit, appeal or other tax controversy matter, you may grant to us authorization to communicate with Federal and Provincial tax authorities on your behalf.

Notwithstanding any grant authorization, all significant decisions concerning any audit, appeal or other tax controversy matter, will be decisions to be made by you in your sole discretion and any documents or responses prepared by us will be discussed with you and reviewed by you prior to being provided to the relevant tax authority.

8. Foreign Information Reporting

8.1 Foreign Information Reporting. Individuals, corporations, partnerships, trusts and estates who have a financial interest in a foreign country or transact with non-residents may be required to make separate information return filings to report such interests or transactions, as the case may be, where the applicable reporting criteria in the Act are satisfied. Separate information return filing requirements also apply to

taxpayers with direct or indirect control over foreign entities. Although information returns do not have an associated income tax liability, failure to file foreign information returns where required may result in the application of late filing penalties and related interest

During the course of our engagement, we may identify information or transactions that would give rise to a foreign information return requirement. We will advise you if we believe, based on the information that you provide us, that an information return may be required, but we will not prepare any such tax return without your approval of the expansion of our scope of services.

Rev 8/30/19

Client(s): Ellis Fabrications Inc.

Date: November 12, 2020

The taxpayer(s) identified above (you or your) and RSM Alberta LLP (we, our or us) have entered into an engagement letter for tax services (the Engagement Letter). Under the Engagement Letter, the scope and nature of our tax services and any deliverables are to be described in separate statements of work for separate projects. This document is a “Statement of Work” under the Engagement Letter.

All services described in or provided pursuant to this Statement of Work are subject to the terms, conditions and limitations of the Engagement Letter and the Standards of Services in Tax Matters for Business Taxpayers that we have provided to you and are in effect as of the above date. Handwritten changes to this Statement of Work will have no legal effect.

Description of Our Services under this Statement of Work

Tax Return Preparation

We will prepare the tax returns for the entities, jurisdictions and tax periods specified in the attached “Schedule of Tax and Information Returns to be Prepared.” If you would like to add related taxpayers to this schedule, please call us to discuss expanding the scope of our tax return preparation services. If you choose to add taxpayers or additional tax or information return filings, this will increase the amount of our fees and expenses described below.

Some taxpayers have begun issuing, utilizing, trading or investing in virtual currencies (e.g. Bitcoin). Canada Revenue Agency guidance governing the reporting of transactions involving virtual currencies generally requires each transaction to be treated as a sale or exchange of property at its then fair market value, so clients’ accounting systems must be able to track these transactions and determine fair market value to ensure proper income tax reporting. If you have engaged in transactions involving virtual currencies, we may be required to review your systems of accounting for those transactions and your approach to determining fair market value of the virtual currencies, which may increase the amount of our fees. Please note that in preparing any tax returns reporting virtual currency transactions, we will not provide any assurance as to the correctness of any determination of fair market value.

To prepare your tax returns, it will be necessary for you to provide us with the financial and other information that we request. We will provide you with a Client Assistance Package and may request additional information, and it is necessary for you to respond to these requests completely and accurately. If you have any questions concerning a particular question or request, please contact us. We will also request financial information for use in preparing your tax returns from any other firm(s) that you have engaged to provide you with audit, review or compilation services.

You must deliver all financial and other information necessary for preparation of your returns to us at least 45 days prior to the due date of the returns. Applicable laws and professional standards require us to apply certain review procedures in preparing a tax return, and we need adequate time to perform these procedures. If for any reason you are unable to provide us with this information at least 45 days prior to the due date, you must contact us as soon as possible so that we can modify the staffing and scheduling of our services. We will contact you if at any time we conclude that we will be unable to complete any return by the filing due date.

We will request a large portion of the tax and financial information from you in an electronic format. Certain other information requests may be in hard copy. We will work with your management team to assist you in providing us this information in an appropriate electronic format, but we will depend heavily upon your employees and representatives in obtaining information in the most appropriate format. If any requested information is not received or is received in an unusable format, we will return the items to you

for completion or correction. If you cannot provide information in the requested format, or if it becomes necessary for us to prepare or to correct information to be provided by you, our fees for preparing your tax returns will increase. If at any time you believe you might be better served by having us perform a particular task, please contact us to discuss modifying the scope of our services and the amount of any additional fees.

Consultations Regarding Tax Matters

In connection with your tax returns or in response to your request(s), we may respond to questions, provide general tax information or explanations, discuss tax issues or otherwise consult with you concerning various tax matters. We call your attention to the limited nature of due diligence and research typically performed in providing information regarding tax matters orally or via email, and the limitations on your ability to rely on any oral or email communications.

Consultations Regarding General Business Matters

We recognize that you face a wide variety of business questions and challenges. In connection with your tax returns or in response to your request(s), we may respond to your questions, provide general information or explanations, discuss issues or otherwise consult with you to provide you with insights regarding nontax matters based on the experience of the tax professional primarily responsible for overseeing our tax services to you. We call your attention to the limited nature of research typically performed in providing this general business information. We are of course happy to meet with you to discuss your business questions and challenges in more detail and to assist you in tailoring solutions for your business, but those services would be performed under a separate statement of work and for additional fees. Any such nontax advice does not constitute legal or investment advice.

Impact of COVID-19 on Our Services

Both you and we acknowledge that, at the time of the execution of this Statement of Work, national, provincial, and local governments, both domestic and foreign, have restricted travel and/or the movement of people due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in Canada and around the globe, we have restricted our employees from travel and onsite work, whether at a client facility or an RSM facility, to protect the health of both our clients' employees and our employees. Accordingly, to the extent that any of the services described in this Statement of Work requires your or our personnel to travel and/or perform work onsite, either at your or our facilities, you and we acknowledge that the performance of this work may be delayed and that certain services described in this Statement of Work may need to be rescheduled and/or suspended at either your or our sole discretion. Each party agrees to provide the other with prompt notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. The parties acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein.

Fees and Expenses

Our fees for our services described in this Statement of Work will be calculated as provided in the Engagement Letter. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns. All sales, use, value-added or other similar taxes will be charged in addition to the fees and expenses.

Schedule of Tax and Information Returns to be Prepared

Entity Name	Return Type(s)	Tax Period(s)	Jurisdictions
Ellis Fabrications Inc.	T2	2020	Federal & Provincial



October 5, 2020

Ellis Fabrications Inc.
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Attention: Jim Foley

Dear Jim:

Re: Ellis Fabrications Inc.

The objective and scope of the review

You have requested that we review the financial statements of Ellis Fabrications Inc. (the Company), which comprise the balance sheet as at July 31, 2020, and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Our review will be conducted with the objective of expressing our conclusion on the financial statements. Our conclusion, if unmodified, will be in the form "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Company as at July 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Private Enterprises."

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

Form and content of Independent Practitioner's Review Engagement Report

Unless unanticipated difficulties are encountered, our report will be in substantially the following form:

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders

We have reviewed the accompanying financial statements of Ellis Fabrications Inc. that comprise the balance sheet as at July 31, 2020], and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ellis Fabrications Inc. as at July 31, 2020, and the results of its operations and its cash flows for the period then ended in accordance with Canadian Accounting Standards for Private Enterprises.

The practitioner's responsibilities

We will conduct our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. We will perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with Canadian generally accepted standards for review engagements. The procedures selected will depend on what we consider necessary applying our professional judgment, based on our understanding of Ellis Fabrications Inc. and its environment, and our understanding of Canadian Accounting Standards for Private Enterprises and its application in the industry context.

A review is not an audit of the financial statements, therefore:

- a) There is a commensurate higher risk than there would be in an audit, that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with Canadian generally accepted standards for review engagements.
- b) In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion on the financial statements.

Management's Responsibilities

Our review will be conducted on the basis that management acknowledge and understand that they have the responsibility:

- a) For preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Private Enterprises;
- b) For such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error; and
- c) To provide us with:
 - a) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - b) Additional information that we may request from management for the purpose of the review; and
 - c) Unrestricted access to persons within the Company of whom we determine it necessary to obtain evidence.

As part of our review, we will request from management , written confirmation concerning representations made to us in connection with the review.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of services performed and accepting responsibility for such services.

Because RSM Alberta LLP ("RSM") will rely on the Company and its management and Board of Directors to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company's management that has caused, in any respect, RSM's breach of contract or negligence.

Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due our negligence.

This indemnity shall survive termination of this Engagement Letter.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our review, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests

4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.

Fees and disbursements (if any) will be billed to you on an interim basis as the work is performed or upon completion of the work and will be due and payable upon presentation of our invoices. Applicable taxes will be charged in addition to fees, costs and disbursements. Invoices unpaid 45 days past the billing date will be deemed delinquent, and are subject to an interest charge of 12% per annum.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Company agrees it will compensate RSM for any additional costs incurred as a result of the Company's employment of a partner or professional employee of RSM.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada

LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

Ellis Fabrications Inc. and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of Ellis Fabrications Inc. arising from this engagement is limited to the amount of fees paid by Ellis Fabrications Inc. to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of Ellis Fabrications Inc.'s proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Ellis Fabrications Inc. agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Ellis Fabrications Inc. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our review of the Company's financial statements. Our report will be addressed to the Board of Directors of the Company. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from Canadian Accounting Standards for Private Enterprises, add emphasis-of-matter or other-matter paragraphs, or withdraw from the engagement. If, for any reason, we are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement. The form and content of our report may need to be amended in light of our findings obtained from the review.

You agree to include our independent practitioner's review report in any document containing the financial statements that indicates such financial statements have been reviewed by us and, prior to inclusion of the report, ask our permission to do so.

This letter constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created

and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our review of the financial statements including our respective responsibilities.

We look forward to full cooperation from your staff during our review.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Ellis Fabrications Inc.:

Jim Foley

Date



October 5, 2020

Ellis Fabrications Inc.
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Attention: Jim Foley

Dear Jim:

Re: Ellis Fabrications Inc.

The objective and scope of the review

You have requested that we review the financial statements of Ellis Fabrications Inc. (the Company), which comprise the balance sheet as at July 31, 2021, and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Our review will be conducted with the objective of expressing our conclusion on the financial statements. Our conclusion, if unmodified, will be in the form "Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of the Company as at July 31, 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."

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

Form and content of Independent Practitioner's Review Engagement Report

Unless unanticipated difficulties are encountered, our report will be in substantially the following form:

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders

We have reviewed the accompanying financial statements of Ellis Fabrications Inc. that comprise the balance sheet as at July 31, 2021, and the statements of income, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Ellis Fabrications Inc. as at July 31, 2021, and the results of its operations and its cash flows for the period then ended in accordance with Canadian Accounting Standards for Private Enterprises.

The practitioner's responsibilities

We will conduct our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. We will perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated. These procedures are performed to enable us to express our conclusion on the financial statements in accordance with Canadian generally accepted standards for review engagements. The procedures selected will depend on what we consider necessary applying our professional judgment, based on our understanding of Ellis Fabrications Inc. and its environment, and our understanding of Canadian Accounting Standards for Private Enterprises and its application in the industry context.

A review is not an audit of the financial statements, therefore:

- a) There is a commensurate higher risk than there would be in an audit, that any material misstatements that exist in the financial statements reviewed may not be revealed by the review, even though the review is properly performed in accordance with Canadian generally accepted standards for review engagements.
- b) In expressing our conclusion from the review of the financial statements, our report on the financial statements will expressly disclaim any audit opinion on the financial statements.

Management's Responsibilities

Our review will be conducted on the basis that management acknowledge and understand that they have the responsibility:

- a) For preparation and fair presentation of the financial statements in accordance with Canadian Accounting Standards for Private Enterprises;
- b) For such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error; and
- c) To provide us with:
 - a) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
 - b) Additional information that we may request from management for the purpose of the review; and
 - c) Unrestricted access to persons within the Company of whom we determine it necessary to obtain evidence.

As part of our review, we will request from management , written confirmation concerning representations made to us in connection with the review.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of services performed and accepting responsibility for such services.

Because RSM Alberta LLP ("RSM") will rely on the Company and its management and Board of Directors to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company's management that has caused, in any respect, RSM's breach of contract or negligence.

Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due our negligence.

This indemnity shall survive termination of this Engagement Letter.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our review, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests

4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.

Fees and disbursements (if any) will be billed to you on an interim basis as the work is performed or upon completion of the work and will be due and payable upon presentation of our invoices. Applicable taxes will be charged in addition to fees, costs and disbursements. Invoices unpaid 45 days past the billing date will be deemed delinquent, and are subject to an interest charge of 12% per annum.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Company agrees it will compensate RSM for any additional costs incurred as a result of the Company's employment of a partner or professional employee of RSM.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada

LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

Ellis Fabrications Inc. and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of Ellis Fabrications Inc. arising from this engagement is limited to the amount of fees paid by Ellis Fabrications Inc. to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of Ellis Fabrications Inc.'s proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Ellis Fabrications Inc. agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Ellis Fabrications Inc. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

Reporting

We will issue a written report upon completion of our review of the Company's financial statements. Our report will be addressed to the Board of Directors of the Company. We cannot provide assurance that an unmodified accountant's review report will be issued. Circumstances may arise in which it is necessary for us to report known departures from Canadian Accounting Standards for Private Enterprises, add emphasis-of-matter or other-matter paragraphs, or withdraw from the engagement. If, for any reason, we are unable to complete the review of your financial statements, we will not issue a report on such statements as a result of this engagement. The form and content of our report may need to be amended in light of our findings obtained from the review.

You agree to include our independent practitioner's review report in any document containing the financial statements that indicates such financial statements have been reviewed by us and, prior to inclusion of the report, ask our permission to do so.

This letter constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created

and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our review of the financial statements including our respective responsibilities.

We look forward to full cooperation from your staff during our review.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Ellis Fabrications Inc.:

Jim Foley

Date



November 12, 2020

PRIVATE AND CONFIDENTIAL

Ellis Fabrications Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

ATTENTION: Jim Foley

Dear Sir:

Re: Review of the financial statements of Ellis Fabrications Inc.

We have been appointed accountants of Ellis Fabrications Inc. ("the Company") for the year ending July 31, 2020. We were engaged to review the financial statements of Ellis Fabrications Inc., which comprise the balance sheet as at July 31, 2020, the statements of loss, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The purpose of this report is to communicate the matters concerning the review engagement that, in our professional judgement, merit the attention of management and those charged with governance. This report should be read in conjunction with the draft financial statements and our report thereon.

Our Responsibilities

As stated in the engagement letter, our responsibility is to express a conclusion on the Company's financial statements based on our review. We conduct our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the Company, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. We will also perform additional procedures if we become aware of matters that cause us to believe the financial statements as a whole may be materially misstated.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1 403 342 5541
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Writer's Direct Line: (403) 350-2258

Accounting policies, estimates and disclosures

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our review. The significant accounting principles and policies are disclosed in the notes to the financial statements.

Management is responsible for the accounting estimates included in the financial statements. Estimates and the related judgements and assumptions are based on management's knowledge of the business and past experience about current and future events.

There are no significant items to report.

Materiality

Materiality is the term used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.

We assessed materiality at \$54,000.

Significant findings from the performance of procedures

There are no significant items to report.

Uncorrected Misstatements

In the course of our review, we have aggregated uncorrected financial statement misstatements have been provided to management. Management has deemed the effects of these misstatements to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Management corrected these misstatements.

Significant difficulties encountered during the review

We did not encounter any significant difficulties during our review.

Significant matters discussed with management

The significant matters arising from the review that have been discussed with management are as follows:

The company has not applied for the CEBA loan. We recommend that all eligible companies apply for the CEBA loan by the deadline of December 31, 2020.

Written Representations Requested From Management

As part of our review, we request that management prepare a letter to us to re-affirm various representations that they have provided to us and we have relied upon.

A copy of this letter has been provided to management.

Conclusion

We would like to take this opportunity to note our appreciation to management and administrative personnel for their cooperation and assistance during the course of our review. We welcome any feedback on our performance as we strive to continually improve our service.

This report is confidential and is intended solely for the use of management and those charged with governance. No responsibility for loss or damages, if any, to any third party is accepted as this report has not been prepared for, and is not intended for, any other purposes. This report should not be distributed to others outside the Company without our prior written consent.

We look forward to discussing the contents of this report and answering any questions you may have.

Yours very truly,

RSM ALBERTA LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA
Partner

MLS:rs

ELLIS FABRICATIONS INC.

November 12, 2020

RSM Alberta LLP
546 Laura Avenue
Red Deer County, Alberta T4E 0A5

Dear Sir:

We are providing this letter in connection with your review of the financial statements of Ellis Fabrications Inc. as of July 31, 2020 and for the year then ended for the purposes of you expressing a conclusion that, based on your review, nothing has come to your attention that causes you to believe that the financial statements of Ellis Fabrications Inc. do not present fairly, in all material respects, the financial position of Ellis Fabrications Inc. as at July 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

We acknowledge that we are responsible for the preparation and fair presentation of the Company's financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as we determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We understand that you have performed a review of the financial statements, and that your review procedures consisted primarily of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures. We also understand that a review is not an audit, and therefore there is a commensurate higher risk than there would be in an audit, that any material misstatements that exist in the financial statements reviewed may not be revealed.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of monetary value, if it is probable that its omission from, or misstatement, in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm the following representations made to you during your review:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated 10/19/2020, for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises.
2. We have disclosed to you all information relevant to use of the going concern assumption in the financial statements.
3. Related-party relationships and transactions have been appropriately accounted for and disclosed in the financial statements.
4. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information Provided

5. We have responded fully to all enquiries made to us and we have provided you with:

- access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from us for the purpose of the review; and
- unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence.

6. We have made available to you copies of all minutes of meetings of shareholders, directors and committees of directors.

7. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

8. We have disclosed to you known actual or possible non-compliance with laws and regulations for which the effects of non-compliance affect the financial statements of Ellis Fabrications Inc..

9. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.

10. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware.

11. We have disclosed to you significant facts relating to any frauds or suspected frauds known to us that may have affected the Company involving:

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a non-trivial effect on the financial statements.

12. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Company's financial statements communicated by employees, former employees, analysts, regulators or others.

13. We have disclosed to you, and the Company has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt, except as disclosed in the notes to the financial statements.

14. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements, except as disclosed in the notes to the financial statements.

15. We have disclosed to you material commitments, contractual obligations or contingencies that have affected or may affect the Company's financial statements, including disclosures.

16. We have disclosed to you material non-monetary transactions or transactions for no consideration undertaken by the Company in the financial reporting period under consideration.

17. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.

18. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

19. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

20. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.

21. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

22. The Company has satisfactory title to all assets, and there are no liens or encumbrances on the Company's assets.

Journal entry approval

23. We approve of and acknowledge responsibility for the journal entries.

Yours very truly,

Jim Foley

Date

WAIVER

Ellis Fabrications Inc.
4207 53 Street Close
Innisfail, AB, T4G 1P9

We the undersigned creditors give notice that we will waive our rights to demand repayment of \$2,097,117.45 of the loan described as Due to Related Parties in the financial statements of Ellis Fabrications Inc. for a period of at least twelve months beyond July 31, 2020.

Jim Foley, President

The Generation Corporation

Date

WAIVER

Ellis Fabrications Inc.
4207 53 Street Close
Innisfail, AB, T4G 1P9

We the undersigned creditors give notice that we will waive our rights to demand repayment of \$2,097,128.48 of the loan described as Due to Related Parties in the financial statements of Ellis Fabrications Inc. for a period of at least twelve months beyond July 31, 2020.

Jim Foley, President

Generation Steel Inc.

Date

Ellis Fabrications Inc.
Year End: July 31, 2020
Leadsheet Summary

8001

Prepared by JC 11/2/2020	Detail Review KC 11/3/2020	General Review MS 11/8/2020
Tax Review	FSR	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg	%Chg
1040 TD Chequing Acct 5815 - CAD	(487,540.40)	132,022.24	46,679.00	(308,839.16)	0.00	(308,839.16)	0	
1041 TD Chequing Acct -4609 - USI	7,730.37	0.00	0.00	7,730.37	2,522.09	5,208.28	207	
1042 TD USD FX	14,667.65	(12,036.23)	0.00	2,631.42	793.95	1,837.47	231	
1058 ATB Financial Chequing 0900	5,444.55	0.00	0.00	5,444.55	0.00	5,444.55	0	
2050 TD Chequing Overdraft - CAD	0.00	0.00	0.00	0.00	(501,893.91)	501,893.91	(100)	
2055 ATB Financial Chequing Over	0.00	0.00	0.00	0.00	(689.74)	689.74	(100)	
5000 Cash and cash equivalents	(459,697.83)	119,986.01	46,679.00	(293,032.82)	(499,267.61)	206,234.79	(41)	
1455 Investment In Generation Con:	100.00	0.00	0.00	100.00	100.00	0.00	0	
5100 Investments	100.00	0.00	0.00	100.00	100.00	0.00	0	
1200 Accounts Receivable	107,056.75	0.00	2,000.00	109,056.75	205,318.66	(96,261.91)	(47)	
1201 Accounts receivable - other	0.00	(8,832.31)	0.00	(8,832.31)	0.00	(8,832.31)	0	
1220 Payroll Advances	0.00	0.00	0.00	0.00	1,240.00	(1,240.00)	(100)	
5200 Accounts receivable	107,056.75	(8,832.31)	2,000.00	100,224.44	206,558.66	(106,334.22)	(51)	
1510 Raw Materials Inventory	889,090.18	0.00	0.00	889,090.18	978,304.02	(89,213.84)	(9)	
1515 Assembled Parts Inventory	1,111,987.56	0.00	0.00	1,111,987.56	1,111,987.56	0.00	0	
1520 Work In Progress Inventory	314,405.24	0.00	0.00	314,405.24	35,492.25	278,912.99	786	
1525 Finished Goods Inventory	151,882.97	0.00	0.00	151,882.97	638,678.58	(486,795.61)	(76)	
1530 Slow Moving Finished Goods	0.00	0.00	0.00	0.00	57,867.59	(57,867.59)	(100)	
5300 Inventory	2,467,365.95	0.00	0.00	2,467,365.95	2,822,330.00	(354,964.05)	(13)	
1300 Purchase Prepayments	1,791.11	0.00	0.00	1,791.11	0.00	1,791.11	0	
1320 Prepaid Expenses	180,524.07	(131,844.35)	(19,352.65)	29,327.07	53,679.72	(24,352.65)	(45)	
1325 Prepaid Freight	0.00	0.00	0.00	0.00	384.66	(384.66)	(100)	
5400 Prepaid expenses and othe	182,315.18	(131,844.35)	(19,352.65)	31,118.18	54,064.38	(22,946.20)	(42)	
1805 Leasehold Improvements - 42	1,000,232.75	0.00	0.00	1,000,232.75	1,000,232.75	0.00	0	
1810 Leasehold Improvements - 13	10,833.21	0.00	0.00	10,833.21	10,833.21	0.00	0	
5500.100 Leasehold improvemen	1,011,065.96	0.00	0.00	1,011,065.96	1,011,065.96	0.00	0	
1806 Accum Amort-Lsehold Imp -42	(1,000,232.75)	0.00	0.00	(1,000,232.75)	(876,676.91)	(123,555.84)	14	
1815 Accum Amort-Lsehold Imp- 13	(10,833.21)	0.00	0.00	(10,833.21)	(10,833.21)	0.00	0	
5500.200 Acc. Amort - Leaseholc	(1,011,065.96)	0.00	0.00	(1,011,065.96)	(887,510.12)	(123,555.84)	14	
1820 Office Furniture & Equipment	10,949.25	0.00	0.00	10,949.25	10,949.25	0.00	0	
5500.300 Office Furniture & Equi	10,949.25	0.00	0.00	10,949.25	10,949.25	0.00	0	
1825 Accum. Amort. -Furn. & Equip.	(10,145.15)	53.55	0.00	(10,091.60)	(9,877.19)	(214.41)	2	
5500.400 Acc. Amort - Office Fur	(10,145.15)	53.55	0.00	(10,091.60)	(9,877.19)	(214.41)	2	
1830 Shop Equipment	4,359,330.19	158,752.70	0.00	4,518,082.89	4,359,330.19	158,752.70	4	
5500.500 Shop equipment	4,359,330.19	158,752.70	0.00	4,518,082.89	4,359,330.19	158,752.70	4	
1835 Accum Amort - Shop Equipme	(2,992,733.19)	(168,410.20)	0.00	(3,161,143.39)	(2,821,908.51)	(339,234.88)	12	
5500.600 Acc. Amort - Shop equi	(2,992,733.19)	(168,410.20)	0.00	(3,161,143.39)	(2,821,908.51)	(339,234.88)	12	
1840 Automotive Equipment	276,014.67	0.00	0.00	276,014.67	276,014.67	0.00	0	
5500.700 Automotive Equipment	276,014.67	0.00	0.00	276,014.67	276,014.67	0.00	0	

Ellis Fabrications Inc.
Year End: July 31, 2020
Leadsheet Summary

8001-1

Prepared by JC 11/2/2020	Detail Review KC 11/3/2020	General Review MS 11/8/2020
Tax Review	FSR	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg %	Chg
1845 Accum Amort - Automotive Eq	(172,421.85)	(12,599.19)	0.00	(185,021.04)	(146,023.77)	(38,997.27)	27	
5500.800 Acc. Amort - Automotiv	(172,421.85)	(12,599.19)	0.00	(185,021.04)	(146,023.77)	(38,997.27)	27	
1850 Small Tools	43,712.29	0.00	0.00	43,712.29	43,712.29	0.00	0	
5500.900 Small Tools	43,712.29	0.00	0.00	43,712.29	43,712.29	0.00	0	
1855 Accum Amort-Small Tools	(43,712.29)	0.00	0.00	(43,712.29)	(43,712.29)	0.00	0	
5500.901 Acc. Amort - Small Too	(43,712.29)	0.00	0.00	(43,712.29)	(43,712.29)	0.00	0	
1860 Computer Equipment	129,175.84	0.00	0.00	129,175.84	129,175.84	0.00	0	
5500.902 Computer Equipment	129,175.84	0.00	0.00	129,175.84	129,175.84	0.00	0	
1865 Accum. Amort-Computer Equip	(98,295.44)	(3,534.90)	0.00	(101,830.34)	(90,110.84)	(11,719.50)	13	
5500.903 Acc. Amort - Computer	(98,295.44)	(3,534.90)	0.00	(101,830.34)	(90,110.84)	(11,719.50)	13	
1910 Computer Software	298,284.45	0.00	0.00	298,284.45	298,284.45	0.00	0	
5500.904 Computer Software	298,284.45	0.00	0.00	298,284.45	298,284.45	0.00	0	
1915 Accum Amort-Comp Software	(230,184.58)	(68,099.87)	0.00	(298,284.45)	(230,184.58)	(68,099.87)	30	
5500.905 Acc. Amort - Computer	(230,184.58)	(68,099.87)	0.00	(298,284.45)	(230,184.58)	(68,099.87)	30	
1920 Software Under Construction	158,752.70	(158,752.70)	0.00	0.00	158,752.70	(158,752.70)	(100)	
5500.906 Patent	158,752.70	(158,752.70)	0.00	0.00	158,752.70	(158,752.70)	(100)	
2645 Due To The Generation Corpo	(2,170,792.37)	73,674.92	0.00	(2,097,117.45)	(2,152,842.39)	55,724.94	(3)	
2660 Due To/From Generaion Steel	(2,130,259.73)	33,131.25	0.00	(2,097,128.48)	(2,181,648.43)	84,519.95	(4)	
5600.200 Capital lease obligation	(4,301,052.10)	106,806.17	0.00	(4,194,245.93)	(4,334,490.82)	140,244.89	(3)	
2640 Due To/From Generation Cons	1,168,598.31	0.00	0.00	1,168,598.31	1,029,940.71	138,657.60	13	
2665 Due To/From Groundworks	441,709.75	0.00	0.00	441,709.75	196,024.10	245,685.65	125	
5600.300 Intercompany receivab	1,610,308.06	0.00	0.00	1,610,308.06	1,225,964.81	384,343.25	31	
2457 Current Portion on Long Term	265,991.96	(197,317.96)	0.00	68,674.00	33,980.04	34,693.96	102	
2510 MLS Property Loan	(197,359.22)	0.00	0.00	(197,359.22)	0.00	(197,359.22)	0	
2636 Ford Credit Loan 1	(31,112.66)	0.00	0.00	(31,112.66)	(42,461.53)	11,348.87	(27)	
2637 Ford Credit Loan 2	(31,141.70)	0.00	0.00	(31,141.70)	(42,487.93)	11,346.23	(27)	
6000 Long term debt	6,378.38	(197,317.96)	0.00	(190,939.58)	(50,969.42)	(139,970.16)	275	
2458 Current Portion on LTD - Conti	(265,991.96)	197,317.96	0.00	(68,674.00)	(33,980.04)	(34,693.96)	102	
6000.100 current portion of long	(265,991.96)	197,317.96	0.00	(68,674.00)	(33,980.04)	(34,693.96)	102	
2465 Current Portion of Capital Lea	17,413.00	22,049.00	0.00	39,462.00	65,753.00	(26,291.00)	(40)	
2502 Loan - Meridian	(51,120.71)	(23,606.48)	0.00	(74,727.19)	(58,384.28)	(16,342.91)	28	
2603 Lease - Dell 225-010/011/012	(16,375.73)	0.00	0.00	(16,375.73)	(32,135.51)	15,759.78	(49)	
2604 Capital Lease - Element	0.00	0.00	0.00	0.00	(15,870.95)	15,870.95	(100)	
2607 Capital Lease - RCAP	(7,106.05)	0.00	0.00	(7,106.05)	(11,297.14)	4,191.09	(37)	
2614 Capital Lease - National Leasi	(4,178.68)	0.00	0.00	(4,178.68)	(9,906.00)	5,727.32	(58)	
6000.200 Capital lease obligation	(61,368.17)	(1,557.48)	0.00	(62,925.65)	(61,840.88)	(1,084.77)	2	

Ellis Fabrications Inc.
Year End: July 31, 2020
Leadsheet Summary

8001-2

Prepared by JC 11/2/2020	Detail Review KC 11/3/2020	General Review MS 11/8/2020
Tax Review	FSR	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg %	Chg
2466 Current Portion of Cap Lse - c	(17,413.00)	(22,049.00)	0.00	(39,462.00)	(65,753.00)	26,291.00	(40)	
6000.300 Current portion of capit	(17,413.00)	(22,049.00)	0.00	(39,462.00)	(65,753.00)	26,291.00	(40)	
2450 Short Term Debt-Loan	(118,488.03)	0.00	0.00	(118,488.03)	0.00	(118,488.03)	0	
6000.400 Bank indebtedness	(118,488.03)	0.00	0.00	(118,488.03)	0.00	(118,488.03)	0	
2060 TD Visa (JF)	(54,008.89)	0.00	0.00	(54,008.89)	(38,325.03)	(15,683.86)	41	
2065 TD Visa (DG)	(918.67)	0.00	0.00	(918.67)	(272.79)	(645.88)	237	
2100 Accounts Payable	(1,190,319.69)	0.00	567,214.51	(623,105.18)	(704,907.84)	81,802.66	(12)	
2101 Accounts Payable - Other	0.00	(42,839.69)	19,352.65	(23,487.04)	64,669.00	(88,156.04)	(136)	
2125 Accrued Professional Fees	0.00	(5,500.00)	0.00	(5,500.00)	(5,000.00)	(500.00)	10	
2127 Accrued Wages	0.00	0.00	0.00	0.00	(73,349.80)	73,349.80	(100)	
2170 Vacation payable	(58,311.18)	0.00	0.00	(58,311.18)	(64,668.73)	6,357.55	(10)	
2180 EI Payable	(50.40)	0.00	0.00	(50.40)	0.00	(50.40)	0	
2185 CPP Payable	(125.42)	0.00	0.00	(125.42)	0.00	(125.42)	0	
2190 Federal Income Tax Payable	(1,501.13)	(105,089.35)	(523,945.63)	(630,536.11)	(64,669.00)	(565,867.11)	875	
2196 WCB Payable	457.43	0.00	0.00	457.43	2,965.50	(2,508.07)	(85)	
2230 Employee Reimbursements	1,305.51	0.00	0.00	1,305.51	(20.48)	1,325.99	(6475)	
2310 GST Charged on Sales	(26,645.51)	420.59	0.00	(26,224.92)	0.00	(26,224.92)	0	
2315 GST Paid on Purchases	27,030.32	2,381.29	0.00	29,411.61	0.00	29,411.61	0	
2330 GST Payable/Receivable	0.00	(17,772.78)	(89,947.88)	(107,720.66)	(28,216.91)	(79,503.75)	282	
6100 Accounts payable	(1,303,087.63)	(168,399.94)	(27,326.35)	(1,498,813.92)	(911,796.08)	(587,017.84)	64	
2460 Prepaid Sales/Deposits	(978.00)	0.00	(2,000.00)	(2,978.00)	0.00	(2,978.00)	0	
6100.100 Deferred revenue	(978.00)	0.00	(2,000.00)	(2,978.00)	0.00	(2,978.00)	0	
2810 Due To/From Danielle Foley	(10,944.40)	0.00	0.00	(10,944.40)	(10,944.40)	0.00	0	
2820 Due To/From Jim Foley	28,971.87	(200,000.00)	0.00	(171,028.13)	(84,408.94)	(86,619.19)	103	
2821 Patent Retainer pd by J Foley	27,625.64	150,853.43	0.00	178,479.07	158,020.79	20,458.28	13	
6200 Due to shareholder	45,653.11	(49,146.57)	0.00	(3,493.46)	62,667.45	(66,160.91)	(106)	
3350 Shares Issued - Class A	(100.00)	0.00	0.00	(100.00)	(100.00)	0.00	0	
6900 Common shares	(100.00)	0.00	0.00	(100.00)	(100.00)	0.00	0	
3360 Class First Preferred	(2,000,000.00)	0.00	0.00	(2,000,000.00)	(2,000,000.00)	0.00	0	
3370 Second Preferred	(100.00)	0.00	0.00	(100.00)	(100.00)	0.00	0	
3380 Third Preferred	(100.00)	0.00	0.00	(100.00)	(100.00)	0.00	0	
6900.100 Preferred shares	(2,000,200.00)	0.00	0.00	(2,000,200.00)	(2,000,200.00)	0.00	0	
3560 Retained Earnings - Previous	1,528,754.50	0.00	0.00	1,528,754.50	854,062.22	674,692.28	79	
NETINC Net Income (Loss)	851,717.90	407,628.08	0.00	1,259,345.98	674,692.28	584,653.70	87	
6900.400 Retained earnings	2,380,472.40	407,628.08	0.00	2,788,100.48	1,528,754.50	1,259,345.98	82	
4050 Revenue - Attachments	(1,658,680.87)	(5,697.16)	0.00	(1,664,378.03)	(3,928,167.98)	2,263,789.95	(58)	
4055 Revenue - Trench Boxes	(1,586,968.60)	0.00	0.00	(1,586,968.60)	(3,254,190.36)	1,667,221.76	(51)	
4058 Revenue - Steel Processing	(17,870.09)	0.00	0.00	(17,870.09)	(24,330.08)	6,459.99	(27)	
4060 Freight Revenue	(23,511.40)	0.00	0.00	(23,511.40)	(103,622.14)	80,110.74	(77)	
4065 Freight Revenue - I/C	(5,475.17)	0.00	0.00	(5,475.17)	(36,075.60)	30,600.43	(85)	
4240 Promo	27,606.94	0.00	0.00	27,606.94	64,261.46	(36,654.52)	(57)	
4250 Early Payment Sales Discount	0.00	0.00	0.00	0.00	28,071.98	(28,071.98)	(100)	

Ellis Fabrications Inc.
Year End: July 31, 2020
Leadsheet Summary

8001-3

Prepared by JC 11/2/2020	Detail Review KC 11/3/2020	General Review MS 11/8/2020
Tax Review	FSR	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg	%Chg
4251 Brokerage Revenue	(275.00)	0.00	0.00	(275.00)	0.00	(275.00)	0	
7000 Revenues	(3,265,174.19)	(5,697.16)	0.00	(3,270,871.35)	(7,254,052.72)	3,983,181.37	(55)	
5100 Steel - Plate Purchases	619,024.22	(5,438.84)	0.00	613,585.38	1,430,467.20	(816,881.82)	(57)	
5105 Steel - Plate Purchases I/C	0.00	0.00	0.00	0.00	20,782.84	(20,782.84)	(100)	
5110 Steel - Round Purchases	91,277.02	0.00	0.00	91,277.02	272,603.66	(181,326.64)	(67)	
5115 Welding Purchases	76,841.48	0.00	0.00	76,841.48	237,250.87	(160,409.39)	(68)	
5120 Paint Purchases	26,306.88	0.00	0.00	26,306.88	53,435.11	(27,128.23)	(51)	
5125 Waterjet Purchases	3,644.11	0.00	0.00	3,644.11	11,875.64	(8,231.53)	(69)	
5126 Plasma Purchases	1,940.26	0.00	0.00	1,940.26	1,940.78	(0.52)	0	
5127 Laser Purchases	8,900.93	0.00	0.00	8,900.93	46,115.07	(37,214.14)	(81)	
5130 Machinist Supplies	12,165.30	0.00	0.00	12,165.30	47,916.21	(35,750.91)	(75)	
5135 Hydraulic Supplies	20,781.83	0.00	0.00	20,781.83	83,079.89	(62,298.06)	(75)	
5140 Forks	27,797.54	0.00	0.00	27,797.54	84,793.00	(56,995.46)	(67)	
5145 Hardware, Supplies, Small cor	53,489.14	0.00	0.00	53,489.14	114,569.33	(61,080.19)	(53)	
5150 GET (Ground Engaging Tools)	3,518.30	0.00	0.00	3,518.30	22,204.59	(18,686.29)	(84)	
5240 Purchase Discounts	(730.07)	0.00	0.00	(730.07)	0.00	(730.07)	0	
5250 Change In Inventory	354,964.05	0.00	0.00	354,964.05	376,401.47	(21,437.42)	(6)	
5300 Freight In	15,686.95	0.00	0.00	15,686.95	40,894.06	(25,207.11)	(62)	
5304 Delivery of goods	504.21	0.00	0.00	504.21	0.00	504.21	0	
5305 Freight Out	61,080.62	0.00	0.00	61,080.62	105,747.84	(44,667.22)	(42)	
5310 Warranty Expense	1,102.40	0.00	0.00	1,102.40	1,065.00	37.40	4	
5415 Subcontracting Fees	0.00	0.00	0.00	0.00	4.50	(4.50)	(100)	
5691 Currency Exchange & Roundir	(37,442.73)	0.00	0.00	(37,442.73)	11,227.12	(48,669.85)	(434)	
7100 Purchases	1,340,852.44	(5,438.84)	0.00	1,335,413.60	2,962,374.18	(1,626,960.58)	(55)	
5410 Wages & Salaries	1,163,276.70	0.00	0.00	1,163,276.70	2,124,173.76	(960,897.06)	(45)	
5411 Vehicle Allowance	1,932.11	0.00	0.00	1,932.11	0.00	1,932.11	0	
5420 EI Expense	29,745.29	0.00	0.00	29,745.29	41,047.94	(11,302.65)	(28)	
5430 CPP Expense	62,734.39	0.00	0.00	62,734.39	88,599.31	(25,864.92)	(29)	
5440 WCB Expense	35,655.95	0.00	0.00	35,655.95	52,499.15	(16,843.20)	(32)	
5445 Life Insurance	365.91	0.00	0.00	365.91	(1,746.82)	2,112.73	(121)	
5455 Health/Dental	(1,425.56)	0.00	0.00	(1,425.56)	(22,130.74)	20,705.18	(94)	
5470 Employee Benefits	(5,344.07)	0.00	0.00	(5,344.07)	48,299.18	(53,643.25)	(111)	
5480 Casual Wages	0.00	0.00	0.00	0.00	845.00	(845.00)	(100)	
7100.300 Direct wages	1,286,940.72	0.00	0.00	1,286,940.72	2,331,586.78	(1,044,646.06)	(45)	
5766 Vehicle - Fuel & Oil	15,887.20	0.00	0.00	15,887.20	26,551.60	(10,664.40)	(40)	
5767 Vehicle - Repair & Maintenanc	2,017.48	0.00	0.00	2,017.48	6,751.25	(4,733.77)	(70)	
5768 Vehicle - Insurance & Registra	9,193.68	0.00	0.00	9,193.68	13,098.05	(3,904.37)	(30)	
7200.100 Automotive	27,098.36	0.00	0.00	27,098.36	46,400.90	(19,302.54)	(42)	
5320 Amortization	170,824.68	168,410.20	0.00	339,234.88	170,824.68	168,410.20	99	
5660 Amortization Expense	158,406.48	84,180.41	0.00	242,586.89	200,334.86	42,252.03	21	
7200.102 Amortization	329,231.16	252,590.61	0.00	581,821.77	371,159.54	210,662.23	57	
5680 Insurance	55,831.71	0.00	0.00	55,831.71	54,575.30	1,256.41	2	
7200.103 Insurance	55,831.71	0.00	0.00	55,831.71	54,575.30	1,256.41	2	
5690 Interest & Bank Charges	43,567.28	0.00	0.00	43,567.28	101,875.26	(58,307.98)	(57)	

Ellis Fabrications Inc.
Year End: July 31, 2020
Leadsheet Summary

8001-4

Prepared by JC 11/2/2020	Detail Review KC 11/3/2020	General Review MS 11/8/2020
Tax Review	FSR	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg	%Chg
5692 Int. & Penalties Non Deductible	5,373.97	122,862.13	0.00	128,236.10	39,052.56	89,183.54	228	
7200.104 Interest and bank charg	48,941.25	122,862.13	0.00	171,803.38	140,927.82	30,875.56	22	
5695 Interest on Long Term Debt	28,895.84	0.00	(3,363.34)	25,532.50	12,070.97	13,461.53	112	
7200.105 Interest on long-term d	28,895.84	0.00	(3,363.34)	25,532.50	12,070.97	13,461.53	112	
5610 Accounting & Legal	79,042.05	26,949.32	0.00	105,991.37	75,309.00	30,682.37	41	
7200.106 Professional Fees	79,042.05	26,949.32	0.00	105,991.37	75,309.00	30,682.37	41	
5612 Permits/Licenses	0.00	0.00	0.00	0.00	3,887.33	(3,887.33)	(100)	
5640 Courier & Postage	3,783.52	0.00	0.00	3,783.52	9,975.18	(6,191.66)	(62)	
5641 Brokerage Fee	5,366.52	0.00	0.00	5,366.52	0.00	5,366.52	0	
5700 Office Supplies & Expenses	8,157.95	0.00	0.00	8,157.95	25,886.19	(17,728.24)	(68)	
5701 Membership/Subscriptions	1,475.98	0.00	0.00	1,475.98	0.00	1,475.98	0	
5780 Safety	719.55	0.00	0.00	719.55	0.00	719.55	0	
7200.107 Office	19,503.52	0.00	0.00	19,503.52	39,748.70	(20,245.18)	(51)	
5615 Advertising & Promotions	6,361.20	0.00	0.00	6,361.20	1,528.51	4,832.69	316	
5621 Donations	24.00	0.00	0.00	24.00	0.00	24.00	0	
5697 Meals & Entertainment	7,686.53	0.00	0.00	7,686.53	8,102.39	(415.86)	(5)	
7200.108 Advertising and Promo	14,071.73	0.00	0.00	14,071.73	9,630.90	4,440.83	46	
5760 Building Lease	399,999.96	0.00	0.00	399,999.96	330,000.00	69,999.96	21	
7200.110 Rent	399,999.96	0.00	0.00	399,999.96	330,000.00	69,999.96	21	
5762 Repair & Maintenance- Shop &	658.69	0.00	0.00	658.69	29.97	628.72	2098	
5765 Repair & Maintenance - Equip	7,391.36	0.00	0.00	7,391.36	15,316.45	(7,925.09)	(52)	
7200.111 Repairs and mainten	8,050.05	0.00	0.00	8,050.05	15,346.42	(7,296.37)	(48)	
5696 Interest on Capital Lease	1,507.57	23,606.48	3,363.34	28,477.39	0.00	28,477.39	0	
5699 Interest on Capital Lease	0.00	0.00	0.00	0.00	14,596.39	(14,596.39)	(100)	
7200.112 Interest on capital leas	1,507.57	23,606.48	3,363.34	28,477.39	14,596.39	13,881.00	95	
5650 Travel	6,613.03	0.00	0.00	6,613.03	18,356.34	(11,743.31)	(64)	
7200.115 Travel	6,613.03	0.00	0.00	6,613.03	18,356.34	(11,743.31)	(64)	
5645 Telephone	15,250.16	0.00	0.00	15,250.16	15,048.06	202.10	1	
5790 Utilities	135,269.90	(27,692.41)	0.00	107,577.49	167,306.24	(59,728.75)	(36)	
7200.116 Utilities	150,520.06	(27,692.41)	0.00	122,827.65	182,354.30	(59,526.65)	(33)	
5620 Bad Debts	0.00	8,411.72	0.00	8,411.72	0.00	8,411.72	0	
7200.119 Bad debt	0.00	8,411.72	0.00	8,411.72	0.00	8,411.72	0	
5601 Non Manufacturing Labour	334,366.14	0.00	0.00	334,366.14	772,705.42	(438,339.28)	(57)	
5602 Non Manufacturing Labour - R	334,676.36	0.00	0.00	334,676.36	368,557.04	(33,880.68)	(9)	
7300.200 Payroll expenses - gen	669,042.50	0.00	0.00	669,042.50	1,141,262.46	(472,219.96)	(41)	
4430 Federal Gov't Subsidies	(342,436.08)	0.00	0.00	(342,436.08)	0.00	(342,436.08)	0	
7410 Other income, gains and lo	(342,436.08)	0.00	0.00	(342,436.08)	0.00	(342,436.08)	0	

Ellis Fabrications Inc.
Year End: July 31, 2020
Leadsheet Summary

8001-5

Prepared by JC 11/2/2020	Detail Review KC 11/3/2020	General Review MS 11/8/2020
Tax Review	FSR	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount Chg	%Chg
4460 Other Gain/Loss	0.00	0.00	0.00	0.00	10,438.00	(10,438.00)	(100)
7410.100 Gain/Loss on disposal	0.00	0.00	0.00	0.00	10,438.00	(10,438.00)	(100)
4470 FX Gain/Loss	(6,813.78)	12,036.23	0.00	5,222.45	0.00	5,222.45	0
7410.200 FX Gain/Loss	(6,813.78)	12,036.23	0.00	5,222.45	0.00	5,222.45	0
5998 SR&ED Reassessment	0.00	0.00	0.00	0.00	172,607.00	(172,607.00)	(100)
7500 Income taxes	0.00	0.00	0.00	0.00	172,607.00	(172,607.00)	(100)
	<u>851,717.90</u>	<u>407,628.08</u>	<u>0.00</u>	<u>1,259,345.98</u>	<u>674,692.28</u>	<u>584,653.70</u>	<u>87</u>

Ellis Fabrications Inc.
Year End: July 31, 2020
Adjusting Journal Entries
Date: 8/1/2019 To 7/31/2020

8010

Prepared by JC 11/5/2020	Detail Review KC 11/5/2020	General Review MS 11/8/2020
Tax Review	FSR	

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	7/31/2020	TD USD FX	1042	ACCT 1042		12,036.23		
1	7/31/2020	FX Gain/Loss	4470	ACCT 1042	12,036.23			
		To adjust foreign exchange to actual.						Factual
2	7/31/2020	Accounts receivable - other	1201	ACCT 1200		8,832.31		
2	7/31/2020	GST Charged on Sales	2310	ACCT 1200	420.59			
2	7/31/2020	Bad Debts	5620	ACCT 1200	8,411.72			
		To adjust doubtful accounts.						Factual
4	7/31/2020	Accum. Amort. -Furn. & Equip.	1825	5501	53.55			
4	7/31/2020	Accum Amort - Shop Equipment	1835	5501		168,410.20		
4	7/31/2020	Accum Amort - Automotive Equip	1845	5501		12,599.19		
4	7/31/2020	Accum. Amort-Computer Equipment	1865	5501		3,534.90		
4	7/31/2020	Accum Amort-Comp Software	1915	5501		68,099.87		
4	7/31/2020	Amortization	5320	5501	168,410.20			
4	7/31/2020	Amortization Expense	5660	5501	84,180.41			
		To adjust accumulated amortization.						Factual
5	7/31/2020	Due To/From Generaion Steel Inc	2660	ACCT 2660	27,692.41			
5	7/31/2020	Utilities	5790	ACCT 2660		27,692.41		
		To record utilities that were paid on behalf of Generation Steel.						Factual
6	7/31/2020	Current Portion on Long Term Debt	2457	6008		197,317.96		
6	7/31/2020	Current Portion on LTD - Contra	2458	6008	197,317.96			
6	7/31/2020	Current Portion of Capital Lease	2465	6008	22,049.00			
6	7/31/2020	Current Portion of Cap Lse - contra	2466	6008		22,049.00		
		To adjust current portion of debt.						Factual
7	7/31/2020	Loan - Meridian	2502	6009		23,606.48		
7	7/31/2020	Interest on Capital Lease	5696	6009	23,606.48			
		To record interest accrued on Meridian lease.						Factual
10	7/31/2020	Due To/From Generaion Steel Inc	2660	ACCT 2660	5,438.84			
10	7/31/2020	Steel - Plate Purchases	5100	ACCT 2660		5,438.84		
		To reconcile intercompany accounts.						Factual
11	7/31/2020	Due To The Generation Corporation	2645	ACCT 2645	200,000.00			
11	7/31/2020	Due To/From Jim Foley	2820	ACCT 2645		200,000.00		
		To reallocate shareholder balance from The Generation Corporation.						Factual
13	7/31/2020	Accrued Professional Fees	2125	ACCT 2125		5,500.00		
13	7/31/2020	Accounting & Legal	5610	ACCT 2125	5,500.00			
		To record accounting accrual.						Factual
15	7/31/2020	TD Chequing Acct 5815 - CAD	1040	5600.301	132,022.24			
15	7/31/2020	Due To The Generation Corporation	2645	5600.301		126,325.08		
15	7/31/2020	Revenue - Attachments	4050	5600.301		5,697.16		
		To adjust Due to The Generation Corporation account to actual.						
16	7/31/2020	Prepaid Expenses	1320	6105	26,176.45			
16	7/31/2020	Accounts Payable - Other	2101	6105		50,007.06		

Ellis Fabrications Inc.
Year End: July 31, 2020
Adjusting Journal Entries
Date: 8/1/2019 To 7/31/2020

8010-1

Prepared by JC 11/5/2020	Detail Review KC 11/5/2020	General Review MS 11/8/2020
Tax Review	FSR	

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
16	7/31/2020	GST Paid on Purchases	2315	6105	2,381.29			
16	7/31/2020	Accounting & Legal	5610	6105	21,449.32			
To record Lawson Lundell payables.								
18	7/31/2020	Shop Equipment	1830	ACCT 1920	158,752.70			
18	7/31/2020	Software Under Construction	1920	ACCT 1920		158,752.70		
To reallocate shop equipment.								
Factual								
19	7/31/2020	Federal Income Tax Payable	2190	ACCT 2190		105,089.35		
19	7/31/2020	GST Payable/Receivable	2330	ACCT 2190		17,772.78		
19	7/31/2020	Int.& Penalties Non Deductible	5692	ACCT 2190	122,862.13			
To record penalties on GST and payroll payable.								
Factual								
21	8/1/2019	Prepaid Expenses	1320	5403		158,020.80		
21	8/1/2019	Patent Retainer pd by J Foley	2821	5403	158,020.80			
To record patent recorded in prior year.								
22	7/31/2020	Accounts Payable - Other	2101	5403	7,167.37			
22	7/31/2020	Patent Retainer pd by J Foley	2821	5403		7,167.37		
To record current year patent paid.								
					1,383,949.69	1,383,949.69		
Net Income (Loss)			(1,259,345.98)					



CLIENT'S COPY

CLIENT: Ellis Fabrications Inc.

YEAR END: July 31, 2020

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Signatures: An authorized signing officer should complete the certification section of the original copies (enclosed) of each of the following forms:

Table with 2 columns: Form, Description. Rows include RC59 Business Consent Form and ALB Auth. let. Alberta Authorization.

Filing The return(s) are to be filed (envelope enclosed) no later than: January 31, 2021

Filing The T2 is required to be filed electronically. Please return a signed T183 Information Return for Electronic Filing form to us so that we may transmit the return.

Table for Tax payments: Payable and Refund columns. Rows for Federal and Alberta Provincial payments, all showing zero amounts.

Tax Instalments Based on your company's income for the July 31, 2020 fiscal year end, instalments for the fiscal year ended July 31, 2021 are
[checked] Not required [] Required as shown on the attached schedule (subject to any payments which have been made to date)

Other Copies of the required returns and related schedules are enclosed for your records. The returns have been prepared from information and records you have supplied, and should be reviewed by you for completeness before filing.

T2 Corporation Income Tax Return

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 87989 7312 RC0001	
002 Corporation's name Ellis Fabrications Inc.	To which tax year does this return apply? Tax year start: 060 2019-08-01 Tax year-end: 061 2020-07-31
010 Address of head office Has this address changed since the last time we were notified? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, complete lines 011 to 018.	063 Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, provide the date control was acquired: 065
011 4207 53 Street 012 015 City: Innisfail 016 Province, territory, or state: AB	066 Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
017 Country (other than Canada): 018 Postal or ZIP code: T4G 1P9	067 Is the corporation a professional corporation that is a member of a partnership? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
020 Mailing address (if different from head office address) Has this address changed since the last time we were notified? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, complete lines 021 to 028.	070 Is this the first year of filing after: Incorporation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Amalgamation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, complete lines 030 to 038 and attach Schedule 24.
021 c/o 022 023 025 City: 026 Province, territory, or state:	072 Has there been a wind-up of a subsidiary under section 88 during the current tax year? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, complete and attach Schedule 24.
027 Country (other than Canada): 028 Postal or ZIP code:	076 Is this the final tax year before amalgamation? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
030 Location of books and records (if different from head office address) Has this address changed since the last time we were notified? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, complete lines 031 to 038.	078 Is this the final return up to dissolution? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
031 032 035 City: 036 Province, territory, or state:	079 If an election was made under section 261, state the functional currency used: 079
037 Country (other than Canada): 038 Postal or ZIP code:	080 Is the corporation a resident of Canada? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If no, give the country of residence on line 081 and complete and attach Schedule 97.
040 Type of corporation at the end of the tax year (tick one) <input checked="" type="checkbox"/> 1 Canadian-controlled private corporation (CCPC) <input type="checkbox"/> 2 Other private corporation <input type="checkbox"/> 3 Public corporation <input type="checkbox"/> 4 Corporation controlled by a public corporation <input type="checkbox"/> 5 Other corporation (specify) If the type of corporation changed during the tax year, provide the effective date of the change: 043	081 082 Is the non-resident corporation claiming an exemption under an income tax treaty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, complete and attach Schedule 91.
085 If the corporation is exempt from tax under section 149, tick one of the following boxes: <input type="checkbox"/> 1 Exempt under paragraph 149(1)(e) or (l) <input type="checkbox"/> 2 Exempt under paragraph 149(1)(j) <input type="checkbox"/> 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019) <input type="checkbox"/> 4 Exempt under other paragraphs of section 149	
095 Do not use this area 096 898	

Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	T 1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T 1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T 1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T 1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T 1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T 1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T 1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?		339990 All Other Miscellaneous Manufacturing	
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Manufacturing	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-589,033	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
		a	
		Subtotal	B
		Subtotal (amount A minus amount B) (if negative, enter "0")	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z
Taxable income for the year from a personal services business			Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income eligible for the small business deduction from Schedule 7	400	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	B
Business limit (see notes 1 and 2 below)	410	1 C

Notes:

- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
- For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 1 x **415** *** D = 11,250 E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** **417** - 50,000 = F

Amount C 1 x Amount F = G
100,000

Subtotal (the greater of amount E and amount G) **422** H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0") **425** I

Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0") **426** 1 J

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5) K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) **427** L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) **428** 1 M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}}$ x 17.5 % = 1
366

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2017, and before January 1, 2019}}{\text{Number of days in the tax year}}$ x 18 % = 2
366

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2018}}{\text{Number of days in the tax year}}$ x 19 % = 3
366

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least x 19 % = 4

Small business deduction (total of amounts 1 to 4) **430** N

Enter amount N at amount J on page 8.

- * Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

***** Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
1.	490	500	505
Total		510	515

Notes:

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	_____	B
Amount 13K from Part 13 of Schedule 27	_____	C
Personal services business income	432	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	_____	E
Aggregate investment income from line 440 on page 6*	_____	F
Subtotal (add amounts B to F)	_____	G
Amount A minus amount G (if negative, enter "0")	_____	H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % _____ I
Enter amount I on line 638 on page 8.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	_____	K
Amount 13K from Part 13 of Schedule 27	_____	L
Personal services business income	434	M
Subtotal (add amounts K to M)	_____	N
Amount J minus amount N (if negative, enter "0")	_____	O

General tax reduction – Amount O multiplied by 13 % _____ P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 **440** x 30 2 / 3 % = A

Foreign non-business income tax credit from line 632 on page 8 B

Foreign investment income from Schedule 7 **445** x 8 % = C

Subtotal (amount B minus amount C) (if negative, enter "0") **▶** D

Amount A minus amount D (if negative, enter "0") **=====** E

Taxable income from line 360 on page 3 F

Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least G

Foreign non-business income tax credit from line 632 on page 8 x 75 / 29 = H

Foreign business income tax credit from line 636 on page 8 x 4 = I

Subtotal (add amounts G to I) **▶** J

Subtotal (amount F minus amount J) (if negative, enter "0") **=====** K x 30 2 / 3 % = L

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9) **=====** M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450** **=====** N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year **460**

Dividend refund for the previous tax year **465**

Subtotal (line 460 minus line 465) **▶** O

Refundable portion of Part I tax from line 450 above P

Total Part IV tax payable from Schedule 3 Q

Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary **480**

Subtotal (amount P plus amount Q plus line 480) **▶** R

Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R **485** **=====**

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 x 38 1 / 3 % = S

Refundable dividend tax on hand at the end of the tax year from line 485 above **=====** T

Dividend refund – Amount S or T, whichever is less **=====** U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460		
Dividend refund for the previous tax year	465		
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480		
Subtotal (line 460 minus line 465 plus line 480)			A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)			B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D
Subtotal (amount C minus amount D) (if negative, enter "0")			E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")			F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G
Subtotal (amount F plus amount G)			H
Amount H multiplied by 38 1 / 3 %			I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M
Subtotal (amount L plus amount M)			N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)			Q
Part IV tax before deductions (amount 2A from Schedule 3)			R
Part IV tax allocated to ERDTOH (amount N)			S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T
Subtotal (amount R minus total of amounts S and T)			U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545		Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530		

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)			AA
ERDTOH balance at the end of the tax year (line 530)			BB
Eligible dividend refund (amount AA or BB, whichever is less)			CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)			DD
NERDTOH balance at the end of the tax year (line 545)			EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")			GG
Amount BB minus amount CC (if negative, enter "0")			HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* – Amount CC plus amount FF plus amount II			JJ
Enter amount JJ on line 784 on page 9.			

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 %	550	A
Additional tax on personal services business income (section 123.5)		
Taxable income from a personal services business	555 x 5 % =	560 B
Recapture of investment tax credit from Schedule 31	602	C
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)		
Aggregate investment income from line 440 on page 6	_____	D
Taxable income from line 360 on page 3	_____	E
Deduct:		
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	_____	F
Net amount (amount E minus amount F) ▶	_____	G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604	H
Subtotal (add amounts A, B, C, and H)	_____	I
Deduct:		
Small business deduction from line 430 on page 4	_____	J
Federal tax abatement	608	_____
Manufacturing and processing profits deduction from Schedule 27	616	_____
Investment corporation deduction	620	_____
Taxed capital gains 624	_____	_____
Federal foreign non-business income tax credit from Schedule 21	632	_____
Federal foreign business income tax credit from Schedule 21	636	_____
General tax reduction for CCPCs from amount I on page 5	638	_____
General tax reduction from amount P on page 5	639	_____
Federal logging tax credit from Schedule 21	640	_____
Eligible Canadian bank deduction under section 125.21	641	_____
Federal qualifying environmental trust tax credit	648	_____
Investment tax credit from Schedule 31	652	_____
Subtotal ▶	_____	K
Part I tax payable – Amount I minus amount K	_____	L
Enter amount L on line 700 on page 9.		

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700
Part II surcharge payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728

Total federal tax _____

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** AB
 (if more than one jurisdiction, enter "multiple" and complete Schedule 5)
 Net provincial or territorial tax payable (except Quebec and Alberta) _____

Total tax payable **760**
770 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund from amount U on page 6 or JJ on page 7	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit (Form T1131)	796
Film or video production services tax credit (Form T1177)	797
Canadian journalism labour tax credit from Schedule 58	798
Tax withheld at source	800

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840

Total credits **890** B

Refund code **894**

Refund _____

Balance (amount A minus amount B) _____

If the result is negative, you have a **refund**.
 If the result is positive, you have a **balance owing**.
 Enter the amount on whichever line applies.
 Generally, we do not charge or refund a difference of \$2 or less.

Balance owing _____

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start Change information **910** _____
 Branch number

914 _____ **918** _____
 Institution number Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** S7047

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, **950** Foley Last name **951** Jim First name **954** President Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2020-11-12 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (403) 347-3461 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes No

958 _____ Name of other authorized person **959** _____ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
 Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

990 1

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Ellis Fabrications Inc.	Business number 87989 7312 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 **-1,259,345** A

Add:

Interest and penalties on taxes	103	128,236	
Amortization of tangible assets	104	581,822	
Non-deductible meals and entertainment expenses	121	3,844	
Subtotal of additions		713,902	713,902

Other additions:

Financing fees deducted in books	216	12,502	
----------------------------------	------------	--------	--

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
Total of column 2		296	
		Subtotal of other additions	199 12,502 12,502 D
		Total additions	500 726,404 726,404

Amount A plus line 500 **-532,941** B

Deduct:

Subtotal of deductions **0**

Other deductions:

Miscellaneous other deductions:

	1 Description	2 Amount		
	705	395		
1	Deduction under 20(1)(e) ITA	2,507		
2	Principal payments on capital leases WP 6002	41,549		
3	unrealized FX loss	12,036		
Total of column 2		56,092	396	56,092
		Subtotal of other deductions	499	56,092 56,092 E
		Total deductions	510	56,092 56,092

Net income (loss) for income tax purposes (amount B minus line 510) **-589,033** C

Enter amount C on line 300 of the T2 return.

Deduction summary as per paragraph 20(1)(e) of the ITA

Federal

Deduction summary as per paragraph 20(1)(e) of the ITA

Description	Date of expense	A Expense amount	B Amounts deductible in the preceding taxation years	E Annual deduction (This amount is posted to one of the lines 395 of Schedule 1)	F Balance at the end of the year
1. McLennan Ross LLP MLS property loan finance fees	2019-10-31	6,788		1,361	5,427
2. Caron and Partners LLP TD debt refinancing	2020-07-17	5,714		1,146	4,568
Totals		12,502		2,507	9,995

Alberta

Deduction summary as per paragraph 20(1)(e) of the ITA (under section 8 of the Alberta Corporate Tax Act)

Description	Date of expense	A Expense amount	B Amounts deductible in the preceding taxation years	E Annual deduction (If the amount differs from the federal amount, it will be posted to line 040g of Form AT1 Schedule 12)	F Balance at the end of the year
1. McLennan Ross LLP MLS property loan finance fees	2019-10-31	6,788		1,361	5,427
2. Caron and Partners LLP TD debt refinancing	2020-07-17	5,714		1,146	4,568
Totals		12,502		2,507	9,995

Deduction as per paragraph 20(1)(e) of the ITA

This workchart allows you to determine the tax deduction as per paragraph 20(1)(e) of the Income Tax Act (ITA). It relates to the expenses of issuing or selling shares, units or interests and expenses of borrowing money.

Ensure that any of these expenses deducted in the financial statements have been added back on line 216, "Financing fees deducted in books," and/or on line 235, "Share issue expense" to Schedule 1, if applicable.

* If the check box was selected, the annual deduction will be equal to the amount in column C.

1 Description: McLennan Ross LLP MLS property loan finance fees							
Subparagraph 20(1)(e)(v) is applicable in the taxation year*	Date of expense	A Expense amount	B Amounts deductible in the preceding taxation years	C Balance before the annual expense (column A minus column B)	D 20 % of amount A x number of days in the taxation year 366 / 365	E Annual deduction (C or D, whichever is less)*	F Balance at the end of the year (column C minus column E)
<input type="checkbox"/>	2019-10-31	6,788		6,788	1,361	1,361	5,427
<input type="checkbox"/>	Alberta	6,788		6,788	1,361	1,361	5,427

2 Description: Caron and Partners LLP TD debt refinancing							
Subparagraph 20(1)(e)(v) is applicable in the taxation year*	Date of expense	A Expense amount	B Amounts deductible in the preceding taxation years	C Balance before the annual expense (column A minus column B)	D 20 % of amount A x number of days in the taxation year 366 / 365	E Annual deduction (C or D, whichever is less)*	F Balance at the end of the year (column C minus column E)
<input type="checkbox"/>	2020-07-17	5,714		5,714	1,146	1,146	4,568
<input type="checkbox"/>	Alberta	5,714		5,714	1,146	1,146	4,568

Corporation Loss Continuity and Application

Corporation's name Ellis Fabrications Inc.	Business number 87989 7312 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes		-589,033	A
Deduct: (increase a loss)			
Net capital losses deducted in the year (enter as a positive amount)	a		
Taxable dividends deductible under section 112 or subsections 113(1) or 138(6)	b		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)	c		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)	d		
Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e)	1d		
Subtotal (total of amounts a to 1d)	▶	B	
Subtotal (amount A minus amount B; if positive, enter "0")		-589,033	C
Deduct: (increase a loss)			
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions			D
Subtotal (amount C minus amount D)		-589,033	E
Add: (decrease a loss)			
Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss)			F
Current-year non-capital loss (amount E plus amount F; if positive, enter "0")		-589,033	G
If amount G is negative, enter it on line 110 as a positive.			

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year		1,614,801	e
Deduct: Non-capital loss expired (note 1)	100		f
Non-capital losses at the beginning of the tax year (amount e minus amount f)	102	1,614,801	▶
Subtotal (amount g plus amount h)		589,033	I
Add:			
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105		g
Current-year non-capital loss (from amount G)	110	589,033	h
Subtotal (amount g plus amount h)		589,033	▶
Subtotal (amount H plus amount I)		2,203,834	J

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)		K
Non-capital losses before any request for a carryback (amount J minus amount K)		2,203,834 L

Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)		180 2,203,834 N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		B
Subtotal (amount A minus amount B)		C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*)

	210	D
Unused non-capital losses that expired in the tax year (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000	220	E
Subtotal (total of amounts C to E)		F

Note
If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) **225** _____ G
 Capital losses before any request for a carryback (amount F **minus** amount G) _____ H

Deduct – Request to carry back capital loss to (note 7):

	Capital gain (100%)	Amount carried back (100%)	
First previous tax year	951	_____	h
Second previous tax year	952	_____	i
Third previous tax year	953	_____	j
	Subtotal (total of amounts h to j) _____		I
	Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) 280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year _____ a
Deduct: Farm loss expired (note 8) **300** _____ b
 Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** _____ A

Add:

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation ... **305** _____ c
 Current-year farm loss (amount F in Part 1) **310** _____ d
 Subtotal (amount c **plus** amount d) _____ B
 Subtotal (amount A **plus** amount B) _____ C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** _____ e
 Section 80 – Adjustments for forgiven amounts **340** _____ f
 Farm losses of previous tax years applied in the current tax year **330** _____ g
 Enter amount g on line 334 of the T2 Return.
 Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9) **335** _____ h
 Subtotal (total of amounts e to h) _____ D
 Farm losses before any request for a carryback (amount C **minus** amount D) _____ E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	_____	i
Second previous tax year to reduce taxable income	922	_____	j
Third previous tax year to reduce taxable income	923	_____	k
First previous tax year to reduce taxable dividends subject to Part IV tax	931	_____	l
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	_____	m
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	_____	n
	Subtotal (total of amounts i to n) _____		F
	Closing balance of farm losses to be carried forward to future tax years (amount E minus amount F) 380		G

Note 8: A farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
(amount A above _____ – \$2,500) divided by 2 = _____ a		
Amount a or \$ 15,000 (note 10), whichever is less		b
	2,500	c
Subtotal (amount b plus amount c)	2,500	B
Current-year restricted farm loss (amount A minus amount B)		C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		d
Deduct: Restricted farm loss expired (note 11)	400	e
Restricted farm losses at the beginning of the tax year (amount d minus amount e)	402	D
Add:		
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405	f
Current-year restricted farm loss (from amount C)	410	g
Enter amount g on line 233 of Schedule 1, <i>Net Income (Loss) for Income Tax Purposes</i> .		
Subtotal (amount f plus amount g)		E
Subtotal (amount D plus amount E)		F

Deduct:

Restricted farm losses from previous tax years applied against current farming income	430	h
Enter amount h on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	i
Other adjustments	450	j
Subtotal (total of amounts h to j)		G
Restricted farm losses before any request for a carryback (amount F minus amount G)		H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	k
Second previous tax year to reduce farming income	942	l
Third previous tax year to reduce farming income	943	m
Subtotal (total of amounts k to m)		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I)	480	J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year a

Deduct: Listed personal property loss expired after 7 tax years **500** b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **A**

Add: Current-year listed personal property loss (from Schedule 6) **510** **B**

Subtotal (amount A **plus** amount B) **C**

Deduct:

Listed personal property losses from previous tax years applied against listed personal property gains **530** c
Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

Subtotal (amount c **plus** amount d) **D**

Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) **E**

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961** e

Second previous tax year to reduce listed personal property gains **962** f

Third previous tax year to reduce listed personal property gains **963** g

Subtotal (total of amounts e to g) **F**

Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** **G**

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620
Total (enter this amount on line 222 of Schedule 1)						

1.

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680
Total (enter this amount on line 335 of the T2 return)					

1.

Note

If you need more space, you can attach more schedules.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box **190** Yes

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	589,033			N/A		589,033
1st preceding taxation year 2019-07-31	551,723	N/A		N/A			551,723
2nd preceding taxation year 2018-07-31		N/A		N/A			
3rd preceding taxation year 2017-07-31	113,573	N/A		N/A			113,573
4th preceding taxation year 2016-07-31		N/A		N/A			
5th preceding taxation year 2015-07-31	949,505	N/A		N/A			949,505
6th preceding taxation year 2014-07-31		N/A		N/A			
7th preceding taxation year 2013-07-31		N/A		N/A			
8th preceding taxation year 2012-07-31		N/A		N/A			
9th preceding taxation year 2011-07-31		N/A		N/A			
10th preceding taxation year 2010-07-31		N/A		N/A			
11th preceding taxation year 2009-07-31		N/A		N/A			
12th preceding taxation year 2008-07-31		N/A		N/A			
13th preceding taxation year 2007-07-31		N/A		N/A			
14th preceding taxation year 2006-07-31		N/A		N/A			
15th preceding taxation year 2005-07-31		N/A		N/A			
16th preceding taxation year 2004-07-31		N/A		N/A			
17th preceding taxation year 2003-07-31		N/A		N/A			
18th preceding taxation year		N/A		N/A			
19th preceding taxation year		N/A		N/A			
20th preceding taxation year		N/A		N/A			*
Total	1,614,801	589,033					2,203,834

* This balance expires this year and will not be available next year.

Capital Cost Allowance (CCA)

Corporation's name Ellis Fabrications Inc.	Business number 87989 7312 RC0001	Tax year-end Year Month Day 2020-07-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 8	Equipment	664,718						0	
2. 10	Vehicles	81,819						0	
3. 43		262						0	
4. 45		5						0	
5. 46		156						0	
6. 13	leasehold improvements	146,737						0	
7. 13	leasehold improvements	70,201						0	
8. 13	leasehold improvements	37,786						0	
Totals		1,001,684							

1 Class number * See note 1	Description	9 UCC (column 2 plus column 3 plus or minus column 5) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200											
1. 8	Equipn	664,718					20	0	0		664,718
2. 10	Vehicle	81,819					30	0	0		81,819
3. 43		262					30	0	0		262

1 Class number * See note 1	Des- crip- tion	9 UCC (column 2 plus column 3 plus or minus column 5 minus column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200						224	212	213	215	217	220
4.	45		5				45	0	0		5
5.	46		156				30	0	0		156
6.	13	leaseh	146,737				NA	0	0		146,737
7.	13	leaseh	70,201				NA	0	0		70,201
8.	13	leaseh	37,786				NA	0	0		37,786
Totals			1,001,684								1,001,684

Enter the total of column 15 on line 107 of Schedule 1.
 Enter the total of column 16 on line 404 of Schedule 1.
 Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation Ellis Fabrications Inc.	Business Number 87989 7312 RC0001	Tax year end Year Month Day 2020-07-31
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- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	Generation Construction Corporation		86455 2419 RC0001	2	100	100.000			100
2.	The Generation Corporation		81513 1735 RC0001	3					
3.	Generation Steel		80785 5770 RC0001	3					
4.	Groundworks Safety Systems Inc.		80561 3726 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area) **025** Year Month Day

Enter the calendar year the agreement applies to **050** Year
2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** Yes No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Ellis Fabrications Inc.	87989 7312 RC0001	1	500,000	0.0001	1
2	Generation Construction Corporation	86455 2419 RC0001	1	500,000	75.0000	375,000
3	The Generation Corporation	81513 1735 RC0001	1	500,000	0.0001	1
4	Generation Steel	80785 5770 RC0001	1	500,000	0.0001	1
5	Groundworks Safety Systems Inc.	80561 3726 RC0001	1	500,000	24.9997	124,999
				Total	100.0000	500,002 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula $0.225\% \times (C - \$10,000,000)$. Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

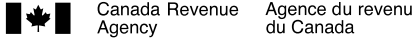
Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Shareholder Information

Corporation's name Ellis Fabrications Inc.	Business number 87989 7312 RC0001	Tax year-end Year Month Day 2020-07-31
--	---	---

- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	James Foley (individual)		639 679 380		50.000	50.000
2	Danielle Foley (individual)		645 867 623		50.000	50.000
3						
4						
5						
6						
7						
8						
9						
10						



Information Return for Corporations Filing Electronically

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (CRA) on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- **Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part 1 – Identification

Corporation's name Ellis Fabrications Inc.			Business number 87989 7312 RC0001		
Tax year ▶	From Y M D 2019-08-01	To Y M D 2020-07-31	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFI (line 300)	-589,033
Part I tax payable (line 700)	
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

Sign up for online mail!
Get your CRA mail electronically delivered in My Business Account at cra.gc.ca/mybusinessaccount

I understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent.

Email address for online mail (optional): _____

I, Foley Last name Jim First name President Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the corporation income tax return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2020-11-12 Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation (403) 347-3461 Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

<u>RSM Alberta LLP</u> Name of person or firm	<u>S7047</u> Electronic filer number
--	---

Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.



ALBERTA CORPORATE INCOME TAX RETURN – AT1
The Alberta Corporate Tax Act

For corporations with taxation years ending in 2004 and subsequent. If the corporation has no taxable income to report both federally and for Alberta purposes, please refer to form AT100 to determine if the corporation is exempt from filing. Otherwise, the AT1 and applicable schedules must be received by Tax and Revenue Administration (TRA) within 6 months of the corporation's taxation year end. Mail, fax, courier or hand deliver to: TAX AND REVENUE ADMINISTRATION, 9811 109 ST, EDMONTON AB T5K 2L5. Fax: 780-427-0348.

For Department Use		005 <input type="checkbox"/>
001 <input type="checkbox"/>		01RT
004 <input type="checkbox"/>		

010 Legal Name of Corporation ■ Ellis Fabrications Inc.	Alberta Corporate Account Number (CAN) (Enter the 9 or 10 digit account number) 034 ■ 209468339
011 Operating Name of Corporation ■	Federal Business Number (BN) 035 ■ 87989 7312 RC0001
012 Mailing Address of Business ■ 4207 53 Street	Taxation Year Beginning 036 ■ YYYY MM DD 2019-08-01
013	Taxation Year Ending 037 ■ YYYY MM DD 2020-07-31
014 City/Town ■ Innisfail	Has the taxation year end changed since the last return was filed? 038 ■ 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
015 Prov./ State | 016 Country Code (other than Canada) | 017 Postal or Zip Code | T4G 1P9 ■ AB | ■ | ■	If "Yes", specify the reason: 039 1 <input type="checkbox"/> Canada Revenue Agency (CRA) approved tax year end change 2 <input type="checkbox"/> Change in control 3 <input type="checkbox"/> Final return
If the assessment notice and assessment correspondence are to be sent to an address other than that above, provide that address: 018 Name ■ 019 Address ■ 020 ■ 021 City/Town ■	State the functional currency used, if other than Canadian: 041 1 <input type="checkbox"/> United States of America 2 <input type="checkbox"/> United Kingdom 3 <input type="checkbox"/> European Monetary Union 4 <input type="checkbox"/> Australia
022 Prov./ State | 023 Country Code (other than Canada) | 024 Postal or Zip Code ■ | ■ | ■	If field 041 is checked, provide average exchange rate for calculation: (functional currency converting to Canadian currency) 043 ■
025 Name of the person to contact to discuss this return ■ Jim Foley Telephone number: 026 Area Code ■ (403) 347-3461 Fax number: 027 Area Code ■	Gross Revenue (To nearest thousand) 047 ■ 3,608,085
Nature of Business 028 SIC Code Other Fabricated Structural Metal Products Industries ■ 3029	Total Assets (Book value per balance sheet, to nearest thousand) 048 ■ 5,685,254
Type of Corporation 029 1 <input checked="" type="checkbox"/> Canadian-controlled private corporation throughout the year (excluding Alberta professional) 2 <input type="checkbox"/> Alberta Professional 3 <input type="checkbox"/> Other private 4 <input type="checkbox"/> Public 5 <input type="checkbox"/> Other, specify: _____	Is this a final return? 050 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If "Yes", specify the reason: 051 1 <input type="checkbox"/> Amalgamation, specify date of amalgamation: ■ 052 YYYY MM DD 2 <input type="checkbox"/> Discontinuance of permanent establishment in Alberta 3 <input type="checkbox"/> Bankruptcy 4 <input type="checkbox"/> Wind-up into parent 5 <input type="checkbox"/> Dissolution of corporation, specify date operations ceased: 053 YYYY MM DD
Special Corporation Status (if applicable) 030 1 <input type="checkbox"/> Investment Corporation 2 <input type="checkbox"/> Mutual Fund Corporation 3 <input type="checkbox"/> Co-operative 4 <input type="checkbox"/> Credit Union 5 <input type="checkbox"/> Corporations exempt under the federal ITA section 149	Was there a transfer of property under federal ITA subsection 85(1), 85(2) or 97(2) that occurred after May 30, 2001, and during the taxation year being reported? 054 ■ 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Has there been a wind-up of a subsidiary under federal Income Tax Act (ITA) section 88 during the current taxation year? ■ 031 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the first year of filing after an amalgamation? ■ 032 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	

Report all monetary amounts in dollars; DO NOT include cents.

CAN: 209468339

Taxation Year Ending: 2020-07-31

Taxable Income: The calculation of taxable income for federal purposes can differ from the calculation for Alberta purposes if the corporation chooses to use different discretionary deduction amounts (e.g., different application of losses, CCA, charitable donation, etc.).

Is the corporation reporting different taxable income for Alberta and federal purposes?

Has the corporation elected to use any different discretionary amounts for the current year claim or do opening balances differ for federal and Alberta purposes?

060	Yes	No
		X
061	Yes	No
		X

If line 060 and/or 061 is "Yes", then schedule 12 and supporting schedules MUST be completed to reconcile federal and Alberta taxable income.

Alberta taxable income or (loss)

If both lines 060 and 061 are "No", then line 062 must equal federal T2, lines 360 - 370

OR, if reporting a loss, enter the amount from federal Schedule 4 lines 110 + 310

If either line 060 or 061 is "Yes", enter the amount from Schedule 12, lines 090 - 092

(If line 062 is negative, complete Schedule 10 to request a loss carry-back, if applicable)

Deduct: Royalty Tax Deduction (Schedule 5, line 021)

Alberta Allocation Factor (Schedule 2, column I)

Amount Taxable in Alberta (line 062 - line 064) X line 065 * (if negative, enter "0")

(* if the corporation has permanent establishments only in Alberta, multiply by "1")

062		-589,033
064		
065		1.000000
066		
068		

Basic Alberta Tax Payable:

10.249 % of amount on Line 066

Alberta Small Business Deduction

Schedule 1, line 031

Alberta Manufacturing and Processing Profits

Deduction Schedule 11, line 023

Alberta Foreign Investment Income Tax Credit

Schedule 4, line 020

Alberta Political Contributions Tax Credit

Schedule 8, line 030

Alberta Other Tax Deductions and Credits

Schedule 3, line 604

Other Deductions: (specify and attach

the appropriate schedules)

Total (lines 76a + 76b)

Total (lines 070 + 071 + 072 + 074 + 076)

070		
071		
072		
074		
76a		
76b		
076		

079		
080		

Alberta Tax Payable (lines 068 - line 079)

Alberta Scientific Research & Experimental Development Tax

Credit, Schedule 9, line 120

Instalments, other payments and ARTC instalments credited to

income tax account for this taxation year

Interactive Digital Media Tax Credit (IDMTC)

Tax Certificate Number

(issued at time of IDMTC approval)

Alberta Capital Gains Refund (available only to mutual fund

corporations and public investment corporations)

Other Credits: (specify and attach the appropriate schedule(s))

Total (lines 081 + 082 + 085 + 086 + 087)

081		
082		
085		
110		
086		
087		

088		
090		

Balance Unpaid (Overpayment) (line 080 - line 088)

(An assessed balance, including interest and penalty charges, of less than \$20.00 will be neither charged nor refunded.)

If line 090 is a balance due (i.e. positive amount), indicate the amount enclosed with the return

Make cheque payable to Government of Alberta

If line 090 is an overpayment (i.e. negative amount), indicate the desired disposition:

Refund = 1; Apply to payments for the next taxation year = 2

If you would like your Notice of Assessment provided to you by fax

rather than by mail, please specify your complete fax number

091		
092		
093	Area Code	

CERTIFICATION

I, 097 Foley 098 Jim 099 President, _____
Print Surname Print First Name Position, office or rank

am an authorized signing officer of the corporation. I certify that this return, including accompanying schedules and statements, has been examined by me and is a true, correct and complete return. I further certify that the method of computing income for this taxation year is consistent with that of the previous taxation year except as specifically disclosed in a statement to this return.

Signature of the authorized signing officer

2020-11-12
Date (YYYY MM DD)

ELLIS FABRICATIONS INC.



Independent Practitioner's Review
Engagement Report and Non-Consolidated
Financial Statements
July 31, 2020



RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Shareholders of Ellis Fabrications Inc.

We have reviewed the accompanying non-consolidated financial statements of Ellis Fabrications Inc. that comprise the non-consolidated balance sheet as at July 31, 2020, and the non-consolidated statements of loss and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying non-consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of non-consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these non-consolidated financial statements.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the non-consolidated financial statements do not present fairly, in all material respects, the financial position of Ellis Fabrications Inc. as at July 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Emphasis of Matter

Without modifying our conclusion, we draw your attention to Note 19, which describes the uncertainty related to the financial impact of the COVID-19 pandemic.

Other Matter

The financial statements of Ellis Fabrications Inc. for the year ended July 31, 2019, were compiled by another public accounting firm on July 9, 2020.

Red Deer County, Alberta

November 12, 2020

RSM Alberta LLP

Chartered Professional Accountants

ELLIS FABRICATIONS INC.

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July 31, 2020

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Non-Consolidated Schedule of Expenses	18

ELLIS FABRICATIONS INC.
Non-Consolidated Balance Sheet
As at July 31, 2020

	2020	2019
ASSETS		
Current assets		
Accounts receivable	\$ 100,224	\$ 206,559
Inventory (note 3)	2,467,366	2,822,330
Prepaid expenses and deposits	31,118	54,064
Due from shareholder (note 10)	<u>-</u>	<u>62,667</u>
	2,598,708	3,145,620
Investment in Generation Construction Corp. (note 4)	100	100
Due from related companies (note 5)	1,610,308	1,225,965
Property, plant and equipment (note 6)	<u>1,476,138</u>	<u>2,057,959</u>
	<u>\$ 5,685,254</u>	<u>\$ 6,429,644</u>

ELLIS FABRICATIONS INC.**Non-Consolidated Balance Sheet, continued****As at July 31, 2020**

	2020	2019
LIABILITIES		
Current liabilities		
Bank indebtedness (note 7)	\$ 293,033	\$ 499,268
Accounts payable and accruals (note 8)	1,498,814	911,797
Deferred revenue	2,978	-
Short-term loans (note 9)	118,488	-
Current portion of long-term debt	68,674	33,980
Current portion of obligations under capital lease	39,462	65,753
	<u>2,021,449</u>	1,510,798
Due to related companies (note 5)	4,194,246	4,334,491
Due to shareholders (note 10)	3,493	-
Long-term debt (note 11)	190,940	50,969
Obligations under capital lease (note 12)	62,926	61,841
	<u>6,473,054</u>	<u>5,958,099</u>
Contingencies (note 13)		
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Common shares (note 14)	100	100
Preferred shares, redeemable at shareholders' option for \$3,214,414 (note 14)	2,000,200	2,000,200
Deficit	<u>(2,788,100)</u>	<u>(1,528,755)</u>
	<u>(787,800)</u>	<u>471,545</u>
	<u>\$ 5,685,254</u>	<u>\$ 6,429,644</u>

Approved by the board:

 Director

ELLIS FABRICATIONS INC.
Non-Consolidated Statement of Loss and Deficit
Year ended July 31, 2020

	2020	2019
Sales	<u>\$ 3,270,871</u>	<u>\$ 7,254,053</u>
Cost of sales		
Materials	1,335,414	2,962,374
Direct labour	<u>1,286,941</u>	<u>2,331,587</u>
	<u>2,622,355</u>	<u>5,293,961</u>
Gross margin	648,516	1,960,092
Expenses (page 18)	<u>2,245,075</u>	<u>2,451,740</u>
Loss from operations	<u>(1,596,559)</u>	<u>(491,648)</u>
Other income (expenses)		
Government subsidies	342,436	-
Loss on sale of property, plant and equipment	-	(10,438)
Unrealized foreign exchange loss	<u>(5,222)</u>	<u>-</u>
	<u>337,214</u>	<u>(10,438)</u>
Loss before income taxes	<u>(1,259,345)</u>	<u>(502,086)</u>
Income taxes (note 15)	<u>-</u>	<u>172,607</u>
Net loss	<u>(1,259,345)</u>	<u>(674,693)</u>
Deficit, beginning of year	<u>(1,528,755)</u>	<u>(854,062)</u>
Deficit, end of year	<u>\$ (2,788,100)</u>	<u>\$ (1,528,755)</u>

ELLIS FABRICATIONS INC.
Non-Consolidated Statement of Cash Flows
Year ended July 31, 2020

	2020	2019
CASH PROVIDED BY (USED FOR)		
Operating activities		
Cash receipts from customers	\$ 3,374,961	\$ 8,069,233
Cash paid to suppliers and employees	(3,104,001)	(7,590,193)
Interest paid	(197,336)	(152,999)
Government subsidies	342,436	-
Income taxes paid	-	(684)
	<u>416,060</u>	<u>325,357</u>
Investing activities		
Purchase of property, plant and equipment	-	(95,175)
Proceeds on disposal of property, plant and equipment	-	9,000
	<u>-</u>	<u>(86,175)</u>
Financing activities		
Proceeds of short-term loans	163,488	-
Repayment of short-term loans	(45,000)	(1,522,422)
Advances from related companies	2,607,133	7,186,518
Advances to related companies	(3,131,721)	(5,622,942)
Repayment of advances from shareholders	(186,102)	(1,396,862)
Advances from shareholders	252,262	1,221,379
Repayment of long-term debt	(28,336)	(565,244)
Proceeds of long-term debt	200,000	-
Repayment of obligations under capital lease	(41,549)	(69,182)
Proceeds of obligations under capital lease	-	71,254
	<u>(209,825)</u>	<u>(697,501)</u>
Decrease (increase) in deficiency	206,235	(458,319)
Cash deficiency, beginning of year	(499,268)	(40,949)
Cash deficiency, end of year	\$ (293,033)	\$ (499,268)

Excluded from the statement of cash flows are equipment additions under capital leases of \$0 (2019 - \$57,979).

1. Nature of Operations

Ellis Fabrications Inc. (the company) is a privately owned company which fabricates accessories for earth moving equipment and is incorporated under the Business Corporations Act in the Province of Alberta.

2. Significant Accounting Policies

These non-consolidated financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

Measurement uncertainty

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 at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include: allowance for doubtful accounts, inventory obsolescence, inventory valuation, estimated useful lives of property, plant and equipment, and impairment of long-lived and financial assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit and temporary bank overdrafts which form an integral part of the company's cash management.

Inventory

Raw material inventory is valued at the lower of cost and estimated net realizable value. Cost is determined on a first-in first-out basis. Work in progress is valued using standard costing plus direct labour. Assembled parts and finished goods inventory is determined based on cost of material plus direct labour. Net realizable value is assessed at each balance sheet date and a write down is recorded as necessary. The amount of the write down may be reversed up to the original amount of the write down where there is a change in economic circumstances.

2. Significant Accounting Policies, continued

Investment in subsidiaries

The company uses the cost method to account for its investments in subsidiaries. Accordingly, investments in subsidiaries are recorded at the original cost unless there has been an impairment in value, in which case the investments are written down to fair value. Income is recognized as received.

Property, plant and equipment

Amortization of property, plant and equipment is calculated using the following rates and methods:

Shop equipment	20% Declining balance
Automotive	30% Declining balance
Computer equipment	30% Declining balance
Furniture and fixtures	20% Declining balance
Leasehold improvements	5 years Straight-line
Computer software	10 years Straight-line
Small tools	20% Declining balance

One half amortization is calculated in the year of acquisition. No amortization is calculated in the year of disposition.

Impairment of long-lived assets

The company reviews property, plant and equipment for impairment whenever events or circumstances arise that indicate that the carrying amount may not be recoverable. Recoverability is assessed by comparing the carrying amount of the asset or group of assets to its fair value, as determined by the undiscounted future cash flows the long-lived assets are expected to generate. An impairment loss is recognized in the period where the carrying amount exceeds the fair value. Impairment charges are not reversed if there is a subsequent increase in its fair value.

Impairment of financial assets

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

Income taxes

The company uses the income taxes payable method of accounting for income taxes whereby the provision for income taxes is based upon filings with taxation authorities.

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

2. Significant Accounting Policies, continued

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the company are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

Financial instruments

The company measures its financial instruments initially at fair value and subsequently measures them at amortized cost.

Revenue recognition

Revenue is recognized using the completed contract method when the product is shipped to the customer and collection is reasonably assured.

Government assistance is recognized when it is earned.

3. Inventory

	<u>2020</u>	<u>2019</u>
Assembled parts	\$ 1,111,988	\$ 1,111,988
Raw materials	889,090	978,304
Work in progress	314,405	35,492
Finished goods	<u>151,883</u>	<u>696,546</u>
	<u>\$ 2,467,366</u>	<u>\$ 2,822,330</u>

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

4. Investment in Generation Construction Corp.

	<u>2020</u>	<u>2019</u>
100% of the common shares recorded at cost	<u>\$ 100</u>	<u>\$ 100</u>

5. Due from (to) Related Companies

	<u>2020</u>	<u>2019</u>
Generation Construction Corp.	\$ 1,168,598	\$ 1,029,941
GroundWorks Safety Systems Ltd.	441,710	196,024
The Generation Corporation	(2,097,117)	(2,152,842)
Generation Steel Inc.	(2,097,129)	(2,181,649)
	<u>\$ (2,583,938)</u>	<u>\$ (3,108,526)</u>

All companies are under common control, and all advances are unsecured and bear no terms of interest or repayment.

The related companies have waived their right to demand repayment of their loans within the next year.

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

6. Property, Plant and Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net</u>	<u>2019 Net</u>
Shop equipment	\$ 4,518,083	\$ 3,161,143	\$ 1,356,940	\$ 1,537,422
Automotive	276,015	185,021	90,994	129,991
Computer equipment	129,176	101,830	27,346	39,065
Furniture and fixtures	10,949	10,091	858	1,072
Leasehold improvements	1,011,066	1,011,066	-	123,556
Computer software	298,284	298,284	-	68,100
Small tools	43,712	43,712	-	-
Machinery and equipment under construction	-	-	-	158,753
	<u>\$ 6,287,285</u>	<u>\$ 4,811,147</u>	<u>\$ 1,476,138</u>	<u>\$ 2,057,959</u>

Included in shop equipment are assets under capital lease with a cost of \$82,088 (2019 - \$82,088) and accumulated amortization of \$27,856 (2019 - \$14,297).

Included in computer equipment are assets under capital lease with a cost of \$36,670 (2019 - \$36,670) and accumulated amortization of \$19,662 (2019 - \$12,373).

7. Bank Indebtedness

Bank indebtedness consists of a demand bank overdraft that bears interest at bank prime (currently 2.45%) plus 1.55%. The maximum overdraft available is \$500,000. Collateral is provided by a general security agreement and a personal guarantee by the shareholders.

As part of the company's current credit facility agreement, the company is required to monitor and maintain a minimum debt service coverage ratio of 120% and a current ratio of not less than 1.10:1. The company was not in compliance with these covenants as at July 31, 2020. As a result the debt may be callable by the company's banker. These financial statements have not been adjusted to reflect any action that may be taken by the company's banker due to the current breach.

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

8. Accounts Payable and Accruals

	<u>2020</u>	<u>2019</u>
Trade accounts payable and accruals	\$ 763,569	\$ 818,911
Payroll source deductions payable	630,712	64,669
Goods and Services Tax payable	<u>104,533</u>	<u>28,217</u>
	<u>\$ 1,498,814</u>	<u>\$ 911,797</u>

Subsequent to the year end payroll source deductions of \$479,973 and Goods and Services Tax of \$88,863 were remitted to Revenue Canada. Penalties and interest have been estimated in these statements and the company is awaiting Revenue Canada's notices of assessment before making the final payment on the remaining balance.

9. Short-term Loans

All advances are unsecured and bear no terms of interest or repayment.

10. Due from (to) Shareholders

The amounts due to shareholders represents unsecured advances which are non-interest bearing with no set terms of repayment.

The shareholders have waived their right to demand repayment of this loan for the next year.

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

11. Long-term Debt

	<u>2020</u>	<u>2019</u>
Equipment loan payable in monthly instalments of \$5,012, including interest at 14%, final instalment due December 2024. Collateral provided by a general security agreement and specified shop equipment with a net book value of \$99,063.	\$ 197,359	\$ -
Automotive loan payable in monthly instalments of \$1,415, non-interest bearing, final instalment due May 2022. Collateral provided by automotive equipment with a net book value of \$19,633 (2019 - \$28,047).	31,142	42,487
Automotive loan payable in monthly instalments of \$1,415, non-interest bearing, final instalment due May 2022. Collateral provided by automotive equipment with a net book value of \$19,618 (2019 - \$28,026).	<u>31,113</u>	<u>42,462</u>
	259,614	84,949
Current portion	<u>68,674</u>	<u>33,980</u>
	<u>\$ 190,940</u>	<u>\$ 50,969</u>

Principal repayments until maturity are as follows:

2021	\$ 68,674
2022	68,191
2023	45,830
2024	52,674
2025	<u>24,245</u>
	<u>\$ 259,614</u>

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

12. Obligations under Capital Lease

	<u>2020</u>	<u>2019</u>
Obligation related to leased shop equipment payable in monthly instalments of \$1,577, non-interest bearing, final instalment due June 2024. Collateral provided by shop equipment with a net book value of \$34,749 (2019 - \$43,436). During the year the company did not make any payments on the lease. Interest has been accrued and added to the principal portion of the lease. The lease is now non-interest bearing.	\$ 74,727	\$ 58,384
Obligation relating to leased computer equipment payable in monthly instalments ranging from \$292 to \$432 including interest ranging from 2.98% to 8%, final instalment ranging from January 2021 to February 2022. Collateral provided by computer equipment with a net book value of \$17,006 (2019 - \$24,296).	16,376	32,136
Obligation related to leased shop equipment payable in monthly instalments of \$445 including interest at 11.45%, final instalment due December 2021. Collateral provided by shop equipment with a net book value of \$9,924 (2019 - \$12,406).	7,106	11,297
Obligation related to leased shop equipment payable in monthly instalments of \$545 including interest at 11.21%, final instalment due March 2021. Collateral provided by shop equipment with a net book value of \$9,559 (2019 - \$11,949).	4,179	9,906
Leased shop equipment obligation repaid.	<u>-</u>	<u>15,871</u>
	102,388	127,594
Current portion	<u>39,462</u>	<u>65,753</u>
	<u>\$ 62,926</u>	<u>\$ 61,841</u>

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

12. Obligations under Capital Lease, continued

Estimated lease payments are as follows:	
2021	\$ 40,764
2022	25,754
2023	18,930
2024	<u>17,938</u>
Total future payments	103,386
Less amount representing interest	<u>998</u>
Total future principal payments	<u>\$ 102,388</u>

13. Contingencies

The company has provided a guarantee of advances executed by The Generation Corporation, Generation Construction Corp., Generation Steel Inc., and GroundWorks Safety Systems Inc., of which collateral consists of a general security agreement and continuing collateral mortgage on real property for \$6,412,500 held by The Generation Corporation. There are also permitted liens on two pieces of equipment owned by GroundWorks Safety Systems Inc. that have net book values of \$668,896 and \$83,665.

In the event that The Generation Corporation, Generation Construction Corp., Generation Steel Inc., and GroundWorks Safety Systems Inc. fail to discharge their obligations on the condition of the banking agreements, Ellis Fabrications Inc. may be required to pay the outstanding debts, which approximates \$7,540,008 as at July 31, 2020.

At this time, management does not anticipate the company will be required to pay any amounts as a result of these guarantees.

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

14. Common Shares

Authorized with an unlimited number of the following:

Class A voting, participating common shares;
Class First Preferred voting, redeemable, retractable, participating preferred shares;
Class Second Preferred voting, redeemable, retractable, participating preferred shares; and
Class Third Preferred voting, redeemable, retractable, participating preferred shares.

	<u>2020</u>	<u>2019</u>
Issued:		
1,000 Class A Shares	<u>\$ 100</u>	<u>\$ 100</u>
2,000,000 Class First Preferred Shares	2,000,000	2,000,200
1,156,816 Class Second Preferred Shares	100	-
57,598 Class Third Preferred Shares	<u>100</u>	-
	<u>\$ 2,000,200</u>	<u>\$ 2,000,200</u>

Preferred shares are redeemable for \$1 per share. The company has no formal plans to redeem the preferred shares within the next five years.

ELLIS FABRICATIONS INC.
Notes to the Non-Consolidated Financial Statements
July 31, 2020

15. Income Taxes

The provision for income taxes recorded in the non-consolidated financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 11% (2019 - 11.42%) to the loss for the years as follows:

	<u>2020</u>	<u>2019</u>
Anticipated income tax recovery	\$ (138,490)	\$ (57,328)
Tax effect of the following:		
Losses carried forward	65,000	235,500
Non-deductible expenses	14,500	5,000
Amortization of property, plant and equipment	64,000	42,500
Timing difference of financing fees	1,000	-
Capital cost allowance	-	(43,500)
Loss on disposal of property, plant and equipment	-	1,000
Tax effect of capital leases	(4,500)	(10,500)
Unrealized loss on foreign exchange	(1,500)	-
Other	<u>(10)</u>	<u>(65)</u>
Income tax expense	<u>\$ -</u>	<u>\$ 172,607</u>

16. Economic Dependence

During the year, the company received \$1,720,889 (2019 - \$3,255,150) from GroundWorks Safety Systems Ltd., representing 53% (2019 - 45%) of total revenue. As such, the company's future economic viability is dependent on the continuing relationship between the company and GroundWorks Safety Systems Ltd.

17. Related Party Transactions

During the year the company recorded sales of \$1,720,889 (2019 - \$3,255,150) from GroundWorks Safety Systems Ltd.

During the year the company paid \$400,000 (2019 - \$330,000) to The Generation Corporation for its business premises rent.

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

18. Financial Instruments

The company's financial instruments consist of accounts receivable, investment in related company, due from (to) related companies, bank indebtedness, accounts payable and accruals, short-term loans, long-term debt, obligations under capital lease and due to shareholders. It is management's opinion that the company is not exposed to significant interest, currency, liquidity market, or credit risk arising from these financial instruments except as follows:

Credit risk

The company is exposed to credit risk as it grants credit to its customers in the normal course of operations. To mitigate this risk the company regularly reviews its accounts receivable list, and based on knowledge of their customers, will stop granting credit to customers who have not made regular payments in the past. The company has a concentration of credit risk within the oilfield and construction industries.

Interest rate risk

The company is exposed to interest rate cash flow risk as the bank indebtedness bears interest at a floating interest rate.

The company is exposed to interest rate price risk as the long-term debt and obligations under capital lease bear interest at fixed interest rates.

Liquidity risk

The company is exposed to liquidity risk due to insufficient liquid assets to satisfy its liabilities expected to come due within the next year.

19. COVID-19 Pandemic

The company was able to stay open during the spring and summer, as employees were able to socially distance themselves at the office. However, the company did incur a decrease in revenue and a general slow down of its operations but was able to cut certain costs as a result of the COVID-19 outbreak. The company also applied and received the Canada Emergency Wage Subsidy from the Federal Government.

The ultimate impact of COVID-19 on the company is dependent on future developments which are highly uncertain and cannot be predicted. In addition, a new widespread health crisis in the human population could further adversely affect economies and financial markets of many geographical areas, including the areas in which the company operates.

20. Comparative Amounts

The presentation of certain accounts of the previous year has been changed to conform to the presentation adopted for the current year.

21. Subsequent Events

Subsequent to the year end, GroundWorks Safety Systems Ltd. a related party, signed a new contract that is expected to bring in a minimum of \$15,000,000 USD of revenue per year for the next three calendar years commencing January 1, 2021. To date GroundWorks Safety Systems Ltd. has received \$2,482,299 USD of revenue in deposits relating to this contract. Ellis Fabrications Inc. will be manufacturing 100% of the product relating to this contract for GroundWorks Safety Systems Ltd.

ELLIS FABRICATIONS INC.
Non-Consolidated Schedule of Expenses
Year ended July 31, 2020

	2020	2019
Administration wages and benefits	\$ 669,043	\$ 1,141,262
Amortization	581,822	371,160
Rent	400,000	330,000
Interest and bank charges	171,803	140,928
Telephone and utilities	122,828	182,354
Professional fees	105,991	75,309
Insurance	55,832	54,575
Interest on capital lease obligations	28,477	14,596
Vehicle	27,098	46,401
Interest on long-term debt	25,533	12,071
Office	19,501	39,751
Advertising and promotion	14,072	9,631
Bad debts	8,412	-
Repairs and maintenance	8,050	15,346
Travel	6,613	18,356
	<u>\$ 2,245,075</u>	<u>\$ 2,451,740</u>



October 30, 2020

PRIVATE AND CONFIDENTIAL

Generation Construction Corp.
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Innisfail, AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766
Writer's Direct Line: (403) 350-2258

ATTENTION: James Foley

Dear James:

We have completed the preparation of the financial statements of Generation Construction Corp. for the fiscal year ended July 31, 2020. An electronic copy of the financial statements is enclosed. Please advise us if you require additional copies.

We have also completed the required federal and provincial tax returns of Generation Construction Corp. for the taxation year ended July 31, 2020. An electronic copy of each tax return is provided.

When you have reviewed the statements and returns and satisfied yourself as to their completeness, you should ensure they are signed, dated and filed with the taxation authorities. Attached to your copy of the tax returns, marked "Client's Copy", is a schedule of filing instructions and other information for your use.

You will note that there are total Federal income taxes payable in the amount of \$1,950 and Provincial income taxes payable in the amount of \$517 for the current year. There are also Federal income taxes payable in the amount of \$1,541 and Provincial income taxes payable in the amount of \$475 for the prior year. Cheques for these amounts should be mailed to Canada Revenue Agency and Government of Alberta as soon as possible.

We also enclose an electronic copy of the adjusting entries and trial balance prepared by us to complete your accounting records. The entries should be posted to your general ledger and retained as part of your accounting records.

We have prepared your GST return for the period ending July 31, 2020. You will note that GST is refundable in the amount of \$ 12.83.

An engagement letter for our services is enclosed and is required for our files. Please review the contents and return the signed original to us. An electronic copy is provided for your records.

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If you have any questions or comments with respect to any of the above, please let us know.

Yours very truly,

RSM ALBERTA LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA
Partner

MLS:rs

Encl.



October 30, 2020

James Foley
Generation Construction Corp
4207 53 Street Close
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RSM Alberta LLP

546 Laura Avenue
Red Deer County, AB T4E 0A5

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rsmcanada.com

Dear James:

We are pleased that you have chosen to engage RSM Alberta LLP (we, our or us) to provide certain tax services to Generation Construction Corp and any affiliated persons described in Section 1 below (collectively referred to as you or your). We believe it is important for you to have an understanding of the nature and scope of our tax services so that our services can meet or exceed your expectations. Please take the time to review this Engagement Letter and the related items described below.

This Engagement Letter sets forth the general terms, conditions and limitations governing our client relationship. The Standards of Services described in Section 2 below set forth general standards, terms, conditions and limitations applicable to the scope and nature of the tax services we will provide to you. Each individual project involving our tax services will be described in a Statement of Work as described in Section 3 below. Taken together, the Engagement Letter, the Standards of Services and the Statement(s) of Work will constitute your and our mutual agreement concerning the tax services that we will provide to you.

After you have had an opportunity to review this Engagement Letter and the attached Standards of Services, please sign a copy of this Engagement Letter where indicated below and return the signed letter to us. Please note that handwritten changes to this Engagement Letter, to the Standards of Services or to any Statement of Work will have no legal effect. If you have any questions, please call your RSM engagement partner or team member.

1. Clients for Purposes of this Engagement Letter.

For the purposes of this Engagement Letter and the Standards of Services, our clients will be and the term “you” will refer to: Generation Construction Corp and any corporations, partnerships, or other business entities that are directly or indirectly owned, controlled or managed by Generation Construction Corp and which are named or identified in one or more Statements of Work. Our client(s) with respect to any individual Statement of Work will be those entities described in the preceding sentence that are expressly named or clearly described in that Statement of Work. Neither this Engagement Letter, the Standards of Services nor any Statement of Work will create any client relationship between us and (i) any natural person or (ii) any entity other than those described in the two preceding sentences.

2. Standards for Tax Services. (a) Attached to this Engagement Letter is a copy of the “Standards of Services in Tax Matters for Business Taxpayers” (the Standards of Services). These Standards of Services

describe certain customary practices that we will employ in delivering tax services to you. These standards are based in part on the requirements of applicable law and professional standards, and we have found that they allow us to provide our services in a cost effective manner that meets our clients’ expectations in most tax engagements.

(b) We will be happy to consider expanding or modifying the scope of our services beyond those described in the Standards of Services, but any expansion or modification must be consistent with applicable laws and professional standards and must be clearly set forth in a Statement of Work. Therefore, except as provided in Section 3(b), the Standards of Services will apply to the performance of our services relating to tax return preparation, tax advice, planning and consultation, representation in any audit, administrative appeal or other tax controversy matter, accounting for income taxes, preparation of foreign information returns, or any other Federal, Provincial, or foreign tax matter.

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(c) We may supplement or revise the Standards of Services from time to time, in which case we will provide you with a copy of the supplemented or revised Standards of Services in electronic or paper format. The supplemented or revised Standards of Services will apply to all services under any Statement of Work entered into on or after the date on which we deliver supplemented or revised Standards of Services to you.

3. Statements of Work. (a) All tax services to be performed by us and the determination of the amount of our fees relating to those services must be described in a Statement of Work. Each Statement of Work will (i) provide details on the nature of the work and any expected deliverable and (ii) provide the basis for determining the amount of our fees and the time for invoicing and payment of our fees. Subject to Section 3(b), each Statement of Work will be subject to this Engagement Letter and the Standards of Services. Our services will be limited to the services specifically described in that Statement of Work. Our agreement to perform services under any particular Statement of Work does not obligate us to perform any other services under any other Statement of Work.

(b) A Statement of Work may modify any provision of this Engagement Letter, but only if that Statement of Work is signed by both you and us. A Statement of Work may modify the Standards of Services, but only if that Statement of Work is signed by both you and us. Any modification of the terms of this Engagement Letter or of the Standards of Services must be clearly and unambiguously expressed in the Statement of Work. Any modifications contained in a Statement of Work will apply only to that particular Statement of Work.

(c) We may provide you with a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted the Statement of Work unless you notify us in writing of any objections within 15 business days following your receipt of the Statement of Work.

(d) A Statement of Work may be amended or superseded, in which case we will provide you with an amendment to or a restatement of a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted amendment or restatement unless you notify us in writing of any objections within 15 business days following your receipt of the amendment or restatement.

(e) A Statement of Work will be deemed to have been completed upon the earliest of (i) our mutual agreement that the Statement of Work has been completed, (ii) 90 days following the completion of services and delivery to you of all deliverables described in that Statement of Work or (iii) the passing of 365 consecutive days during which we perform no services with respect to that Statement of Work.

4. Your Responsibilities. (a) In order for us to provide effective services, you must cooperate with us and provide us with any information that we request at the times and in the format that we request. You must cause your employees and contractors to cooperate fully and timely with us. You must designate for us a person authorized to make or obtain all management decisions with respect to our services on a timely basis. We will rely in good faith on all information and management decisions communicated to us by you, your employees or your contractors, and we will not be responsible for any loss or other obligation arising from that reliance. Any failure to fulfill your responsibilities may adversely affect our ability to provide our tax services and will be grounds for our suspending or terminating our services.

(b) If you do not respond to a request from us for information by the date specified in the Statement of Work or in our request for information, or if you provide us with incomplete information, we may use alternative procedures to obtain information necessary for us to provide you with the tax services in accordance with the applicable Statement of Work. However, if we use alternative procedures due to your failure to timely and completely respond to a request, then we will not be responsible for any error or omission that could have been avoided had you timely and completely responded to our request for information. In addition, if you do not timely respond to a request for information or if you provide us with incomplete information, our fees for services may be higher than as set forth in the applicable Statement of Work.

5. Requests for Services. In responding to requests for services made by your officers, managers, employees or agents, we will presume that all requests have been authorized by your internal procedures. If you wish to limit the individuals who can request services, you must notify us of any limitations in writing.

6. Fee Arrangements. Except to the extent provided by a particular Statement of Work, our fees will be based on the time required for work performed, the complexity of any technical issues addressed, the need to confirm information or to perform accounting

work as a precondition to our services, the impact of deadlines and any delays in receiving necessary information from you or from third parties. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns.

7. Billing and Payment; Suspension of Services.

(a) Except to the extent provided by a particular Statement of Work, our fees and expenses will be billed on a regular basis. If we are entitled to bill you for certain direct expenses and at the time of our invoice to you we have not received a third party bill for any such expenses, then we may at our option (i) include a reasonable, good faith estimate of the amount of those expenses on our invoice or (ii) send one or more separate invoices for those expenses following our receipt of the third party bill. Each invoice is payable upon receipt of the invoice. If you believe that any invoice is incorrect or if you wish to dispute any invoice, you must notify us in writing within 60 days of your receipt of the invoice. We reserve the right to charge interest on the undisputed portion of any invoice that is not paid within 60 days of your receipt of that invoice.

(b) If you fail to pay any invoice when due, we reserve the right (if permitted by applicable law and professional standards) to withhold any tax return, Tax Advice, other deliverable, document or file until your account is paid in full or you have made other payment arrangements satisfactory to us. In addition, if you fail to pay any invoice when due we reserve the right to suspend performance of our services until your account is paid in full or you have made other payment arrangements satisfactory to us. Our suspension of services will not affect your obligations to us under this Engagement Letter, the Standards of Services or any Statement of Work.

8. Confidentiality. (a) We will maintain the confidentiality of your Confidential Information, subject to the provisions of this section. Except as provided in the following sentence, "Confidential Information" means (i) information contained in your internal financial and business records, (ii) information reported on your tax returns, (iii) Personal Information as defined in Section 8(b) and (iv) other information concerning you or your business that is marked "confidential" or otherwise identified as "confidential" in

writing at the time of disclosure. Confidential Information does not include information (x) that is or becomes publicly available or generally known to persons in your industry without breach of our obligations under this section or (y) received by us after the termination of this Engagement Letter.

(b) Personal Information is data about an identifiable individual where there is a serious possibility that an individual could be identified through the use of that information, alone or in combination with other information, including, but not limited to, information such as social insurance numbers, driver's license numbers or provincially-issued identification card numbers, health information, and other personal information as defined by applicable laws.

(c) To protect your Confidential Information, you agree that you will not disclose any Confidential Information to us except as we request or as necessary for us to provide our services. Additionally, you agree that you will not (i) transmit to us, in any manner, Personal Information that is not necessary for us to provide our services or (ii) transmit to us Personal Information in an unencrypted format or via an unencrypted means. Notwithstanding the foregoing, in the event you transmit to us Personal Information in an unencrypted format or via an unencrypted means, we will accept the information required for us to provide our services and we will have no obligation to notify you. We will use commercially reasonable precautions to protect your Confidential Information, including appropriate technical, administrative, and organizational safeguards but we will have no obligation to employ any measures that are more restrictive than you regularly employ. (d) You agree that you will provide all notices and obtain any consents required under applicable laws prior to your collection, use and disclosure to us of any Personal Information, and you will take reasonable steps to ensure that any Personal Information that you provide to us does not include irrelevant or unnecessary information about any individuals.

(d) We may disclose your Confidential Information to our partners, principals, employees and third party contractors as necessary to provide our services, including without limitation the disclosures authorized by Section 15. Without limiting the foregoing, we may in certain circumstances disclose your Confidential Information to software vendors for the purpose of obtaining technical support in the course of providing services to you, but it is our policy to require these vendors to maintain the confidentiality of Confidential Information disclosed to them. We may also disclose Confidential Information if required by a court or

governmental agency, but we will use commercially reasonable efforts to inform you prior to disclosure to the extent permitted by law.

(e) We will use Personal Information provided by you, (if any) only for the purposes described in this Engagement Letter or any Statement of Work. As part of the performance of services for you under this Engagement Letter and as part of our direct business relationship with you, we may use Confidential Information to enhance our services, conduct data analytics, conduct market or other similar analysis, or for other similar business purposes. In addition, we may use your Confidential Information provided to us for the purpose of creating benchmarking data to be used by our professionals and shared with other clients. Any such benchmarking data will be in a format that users are unable to associate the information with any specific source. Additionally, in performing any services under a Statement of Work, we may arrange for one or more RSM Network Firms or third party contractors to provide services to you. In the event our services involve Personal Information collected in Canada, we, our third party contractors or RSM Network Firms performing the services may store, transfer and process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to ensure that appropriate protections are in place to require third party contractors and RSM Network Firms to maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

9. Data Protection Compliance; Third Party Products. (a) RSM's Privacy Policy (the Privacy Policy) is located on RSM's website at <https://rsmCanada.com/who-we-are/privacy-policy.html>. The Privacy Policy may be amended or terminated from time to time in our sole discretion and without prior notice. You acknowledge that you have read and understand the Privacy Policy and agree to the practices as described therein.

(b) You agree that prior to disclosure of the following Confidential Information to us, including without limitation Personal Information, you will identify any personal, technical or other data provided to us pursuant to this Engagement Letter that may be

subject to heightened protections under applicable privacy, cybersecurity or data protection laws, including but not limited to personal health information or financial information, prior to any transfer or disclosure to us. Upon your written request, we will discuss with you in good faith entering into a mutually acceptable agreement relating to the lawful cross-border transfer and processing of your Personal Information.

(c) We and you may also correspond or convey information and documentation, including Confidential Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, as defined in Section 9(d), such as email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and you acknowledge that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure or use, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect your Confidential Information. We offer our clients various platforms for the exchange of information which may require additional user terms and conditions which will be made available to you prior to the use of such platform (whether by a link, click-through, or otherwise). You hereby agree that you will be bound by and comply with any and all user terms and conditions made available with respect to the platforms. If you are concerned about the security of particular information, please contact us to discuss alternative arrangements.

(d) We may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, Third Party Products).

(e) You acknowledge that your or our usage of a Third-Party Product may involve the input, movement, transfer and storage of your data or Confidential Information within the infrastructure provided by the Third-Party Product, and that the terms of use and service set forth in the end user licensing agreement or other agreements with the licensor of a Third-Party Product will govern all obligations of the licensor relating to data privacy, storage, recovery, security, and processing within a Third-Party Product's

infrastructure, as well as, the service levels associated with a Third-Party Product.

(f) You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. You agree that we will not be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including without limitation any Confidential Information, resulting from your or our use of a Third-Party Product.

10. Privilege Considerations. In certain circumstances, information that you disclose to us could be the subject of a claim of privilege, but you must generally assert and maintain the privilege claim. Claims of privilege involve considerations of law other than tax law, as well as the costs of asserting a privilege. You should contact your legal counsel if you have questions concerning the availability of any privilege or how and whether to assert a privilege.

11. Use of Information in or from Accounting and Attest Services. (a) If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, information from or relating to your tax returns may be relevant to financial statement reporting or to other accounting or attest services. If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, (i) we may use and rely on any information that we obtain in such an engagement in performing any tax services to which this Engagement Letter relates and (ii) you authorize us to use your tax returns and any information we receive or develop in providing tax services in performing these audit, review, compilation or other accounting or attest services.

(b) Financial statement audits and reviews are not designed or intended to examine or address every potential income or other tax issue. Even if you engage us to perform any audit, review, compilation or other accounting or attest services, we may still rely on information in the manner provided in this Engagement Letter, the Standards of Services and any applicable Statement of Work.

12. Limited Disclosure of Information for Evaluating Independence. RSM Alberta LLP is a member of RSM International, a network of

independent accounting firms. Professional standards require us to evaluate auditor independence taking into consideration both our services to you and your affiliates and any services to you and your affiliates performed by other member firms of RSM International. To permit us to comply with these independence rules, you agree that we may disclose to and discuss with RSM International and its member firms (i) the name of any entity that is or could become a "client" under Section 1, (ii) any ownership relationship between that entity and any natural person or other entity, and (iii) the nature of the services that we perform. The disclosure of information authorized by this section will be solely for the purpose of evaluating independence of RSM Alberta LLP and other RSM International firms under applicable professional standards.

13. Confirmation of Management Responsibility. Professional rules concerning auditor independence require that we confirm your overall responsibility for evaluating our services under any Statement of Work, and a failure to confirm your management responsibility could affect our independence. You have indicated that James Foley will exercise all management responsibility for overseeing our services under any Statement of Work, for evaluating the adequacy and accepting the results of our services and for making all management decisions with respect to our services. You may from time to time designate another individual to exercise this management authority by written notice to us, but in no event can you designate an individual who is a partner, principal or employee of any member firm of RSM International, including RSM Alberta LLP. By designating an individual to exercise this management authority, you are representing to us that such individual has the necessary skill, knowledge and experience to understand, evaluate and oversee our services.

14. Independent Contractor. For all tax services that we perform, we will be an independent contractor and not your employee, agent or partner, and we will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their applicable employee withholdings. You will retain all authority to oversee and evaluate our services under any Statement of Work and to make all decisions with respect to the tax return reporting of any item or any matter that is the subject of our advice.

15. Engagement of Other Parties. In performing any tax services, we may engage the services of other domestic tax preparers, including seasonal preparers,

independent contractors or other third party personnel. By engaging us, you authorize us to allow such third parties access to your files, financial information and other confidential information subject to the provisions of Section 8. Our engagement of any third party does not affect our obligations to you.

16. Conflicting Engagements. If at any time we determine in our sole discretion that a conflict of interest exists that prevents us from providing our services in accordance with applicable ethical rules, we will notify you of the conflict and we may withdraw from representing you to the extent that such withdrawal is required or permitted by applicable ethical rules.

17. Newsletters and Similar Communications. We may as a courtesy from time to time send newsletters, emails, explanations of tax law developments or similar communications to selected clients, former clients or other interested parties. These communications are of a general nature, are not definitive advice and are not intended to be relied upon in any transaction or any tax position. We do not send all such communications to all clients, former clients or interested parties. These newsletters do not establish or continue a client relationship with any person and they do not constitute an undertaking on our part to monitor tax or other issues for you or for any other parties. Pursuant to Canada's Anti-Spam Legislation ("CASL"), we seek your consent on your own behalf and on behalf of your employees to utilize electronic messages to communicate with you for the delivery of services and to receive newsletters, marketing materials and other information about our services. We seek your consent on behalf of RSM Alberta LLP, RSM Alberta Consulting LP, RSM Alberta Corporate Finance Inc., and RSM Alberta Limited. By signing below, you have consented to our use of your contact information to send you such newsletters or other communications. You may opt in to receive certain newsletters or other communications, and you may also opt out of receiving any communications that are unrelated to our services by notifying us in the manner described in the particular communication or by contacting the RSM professional responsible for your services.

18. Intellectual Property Rights. We will deliver to you the tax returns, tax advice or other deliverables expressly enumerated in the applicable Statement of Work, subject to the terms of this Engagement Letter, the Standards of Services and the Statements of Work. These deliverables may be provided to you in paper or electronic format. Except as expressly stated in the applicable Statement of Work, we will have no

obligation to provide any deliverable in an electronic format that is capable of being modified or edited. All our work product and files will remain our property and we retain all copyrights and other intellectual property rights with respect to our work product.

19. Documents and Files. (a) Our files are generally maintained in electronic format. If you provide us with a paper document, we will generally scan that document to electronic format and discard the paper version. Accordingly, you should not provide us with any paper document that you wish to retain in paper format.

(b) Upon your written request, we will return to you copies of all documents then in our possession that were provided to us by you or on your behalf in connection with the performance of our services. If required by applicable law or professional standards, we will also provide to you upon your written request copies of other documents or records relating to our services. The documents and records we provide to you may be provided in paper or electronic format. We will have no obligation to provide any document or record in an electronic format that is capable of being modified or edited. We may retain copies of these documents and records for our files.

(c) We, in our sole discretion, may provide you with access to or copies of other documents or workpapers in any format (including an updatable electronic format) beyond what is required by the applicable professional standards or codes of conduct, but you will be obligated to pay all costs associated with such access or copies.

20. Document Production and Testimony. If we are requested or authorized by you, or if we are required by government regulation, subpoena or other legal process, to produce any documents or files, or to make our personnel available as witnesses with respect to any engagement, you will (so long as we are not a party to the proceeding in which the information is sought) pay us for our time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such requests.

21. Record Retention. (a) Our current policy (which we may revise at any time and in our sole discretion) is to retain copies of tax returns and certain related workpapers for six years after the return is filed, subject to casualties beyond our control. We provide our clients with a file copy of each income tax return and we recommend that you retain copies of all returns.

(b) Although taxpayers are not generally required to retain their tax records for longer than six years, there

are situations in which tax returns older than six years may contain information useful in future tax planning or may be subject to reassessment or audit. For example, prior year returns may contain information relating to tax elections or to the basis of assets for gain/loss calculations, and corporations may use tax return information in calculating "safe income" for corporate tax planning. We recommend that taxpayers consider maintaining separate accounting records or workpapers with this information, and we will not maintain these separate records except as expressly described in a Statement of Work. If you would like us to assist you in developing these separate records, please contact us to discuss the scope of such a project.

(c) It may also be advisable to retain accounting or tax records for longer than six years for reasons unrelated to taxes. Decisions regarding document retention may involve a variety of legal considerations (e.g. statutes of limitations, rules of evidence), so you may wish to consult your legal counsel to address these legal considerations.

22. Uncontrollable Delays. The time for performance of any of your or our obligations (other than the obligation to pay money due) will be extended for a reasonable time in the event of causes beyond your or our reasonable control, including without limitation acts of God, war, acts of government, fire, flood, epidemic, pandemic or outbreaks of communicable disease, riot, strike or labor problems, sabotage, internet or other system or network outages, cyberattacks, delays in obtaining labor, materials, equipment or transportation or other similar causes beyond the control of either party

23. Warranty and Limitation. We warrant that our services will be performed with reasonable care in a diligent and competent manner in accordance with the professional standards for tax services applicable to the individuals providing those services. **THIS IS OUR ONLY WARRANTY CONCERNING OUR SERVICES AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ALL OF WHICH ARE HEREBY DISCLAIMED.**

24. Disclaimer of Legal and Investment Advice. Our services under this Engagement Letter, the Standards of Services and any Statement of Work do not constitute legal or investment advice. We recommend

that you retain competent legal counsel and investment advisers.

25. Indemnification for Breach. Subject to the provisions of Sections 23, 26 and 27, each party will indemnify the other for any loss, liability or obligation arising out of or relating to a failure to fulfill its obligations under this Engagement Letter, the Standards of Services or any Statement of Work.

26. Opportunity to Cure and Liability Limitations.

(a) In the event that we fail to meet our obligations under this Engagement Letter (including without limitation Section 23), the Standards of Services or any Statement of Work, you must notify us in writing and provide us with the opportunity to re-perform the services.

(b) If the services cannot be re-performed, or if re-performance will not cure the breach or mitigate any damages caused by the breach, then your remedy will be for us to refund our fees under the affected Statement of Work up to the amount of your direct damages caused by our failure to meet our obligations. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to our services under any Statement of Work exceed the amount of fees actually paid to us under that Statement of Work. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to all other obligations under this Engagement Letter or the Standards of Services exceed the amount of fees accrued and paid to us under all Statements of Work during the twelve months immediately preceding the first such breach of any such obligation.

(c) In no event will we be liable for loss of profits or any consequential, indirect, special, exemplary or punitive damages or for any losses or costs incurred relating to any government or regulatory action, investigation, enforcement action or fine.

27. Time Limitation on Claims. No claim or action by either party, regardless of whether the claim is in contract, in tort, at law or in equity, arising out of or relating to any matter under this Engagement Letter, the Standards of Services or any Statement of Work may be brought by either party after the earlier of (i) 24 months after the party first knows or has reason to know that the claim or cause of action has accrued or (ii) 60 months following the completion of the services under the affected Statement of Work. This Section may shorten, but in no event will it extend, any period

of limitation on actions otherwise provided by applicable law.

28. Effect on Other Agreements. The provisions of Sections 26 and 27 will not limit our obligations or liability under any separate agreement for the provision of audit, review, compilation or other accounting or attest services.

29. Liability of Other RSM International Firms. RSM Alberta LLP is a member of RSM International, a network of independent accounting, tax, and consulting firms. Neither RSM International nor any member firm other than RSM Alberta LLP will have any obligation or liability to you under this Engagement Letter, the Standards of Services or any Statement of Work.

30. Termination. (a) You may terminate this Engagement Letter or any Statement of Work at any time by written notice to us. Subject to any restrictions imposed by applicable ethical rules, we may terminate this Engagement Letter or any Statement of Work at any time upon written notice to you. Termination for any reason will not affect your obligation to pay us for fees and expenses incurred prior to termination or in transferring files to and otherwise cooperating with any successor tax preparer or tax advisor.

(b) If you terminate any Statement of Work providing for a fixed fee after we have commenced performing services under that Statement of Work, then upon termination you will be obligated to pay us a portion of the fixed fee based upon the proportion of the amount of work completed under the Statement of Work in relation to the total amount of work expected to be required to complete the Statement of Work.

31. Survival of Provisions. All provisions of this Engagement Letter, the Standards of Services and the applicable Statement(s) of Work will survive the termination of this Engagement Letter or any Statement of Work, except that (i) we will not have any obligation to provide services after termination and (ii) except as provided in Sections 19, 20 and 30, you will not have any obligation to pay us for any services that we perform after termination.

32. Entire Agreement; Interpretation. This Engagement Letter, the Standards of Services and the Statements of Work represent our entire agreement and understanding concerning our delivery of tax services to you, and they supersede all prior and contemporaneous agreements, including without limitation, any nondisclosure agreements. All provisions in this Engagement Letter, the Standards of Services and the Statements of Work must be

construed according to their fair meaning and not strictly for or against any party. The headers, footers, trademarks and service marks are included for reference and branding purposes only and will not affect the meaning of any other provision of this Engagement Letter.

33. Amendments, Waivers and Consents. Except as provided in Section 3, this Engagement Letter may not be amended except by our mutual written agreement. No waiver of any breach of this Engagement Letter, the Standards of Services or any Statement of Work will be effective unless the waiver is in writing and signed by the party against whom the waiver will be enforced. No waiver of any one breach will be deemed a waiver of any other or subsequent breach.

34. Writing and Signatures. (a) For the purposes of this Engagement Letter, the Standards of Services or any Statement of Work a communication will be deemed to be "in writing" if it is in paper format or in an electronic format capable of being read and being reduced to paper format.

(b) For the purposes of this Engagement Letter (including without limitation Sections 3, 33 and 35), the Standards of Services or any Statement of Work, a document may be "signed" by you or by us either manually or electronically meeting any requirements established pursuant to the applicable laws regulating electronic commerce.

35. Assignment; No Third Party Beneficiaries. You may not assign this Engagement Letter, the Standards of Services or any Statement of Work to any other party without our prior written consent signed by our duly authorized partner, principal or employee, except that you may assign all of this Engagement Letter, the Standards of Services and all Statements of Work then in effect to any party that acquires substantially all of your assets and goodwill. This Engagement Letter, the Standards of Services and all Statements of Work will be binding on our and your respective successors and assigns. There are no third party beneficiaries to this Engagement Letter, the Standards of Services or any Statement of Work except as expressly provided in the applicable Statement of Work. Any Statement of Work that proposes to name a third party beneficiary of our services must be signed by us in order to be binding on us.

36. Governing Law. This Engagement Letter, the Standards of Services and the Statements of Work and any dispute or claim arising out of or relating thereto will be governed by and construed in accordance with the laws of the province in which our office providing the majority of our services under this

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Engagement Letter is located, without regard to provisions governing conflicts of laws. All litigation or other legal proceedings will be brought in the Provincial or Federal courts located in that province. The parties agree to this choice of law, jurisdiction and

venue, and waive any defense of an inconvenient forum.

Sincerely,

RSM Alberta LLP

Bob Boser, B.Comm., CPA, CA
Partner

This Engagement Letter, the Standards of Services and the Statement(s) of Work are binding on all entities deemed to be a client under Section 1 above, and each signatory below represents that he or she has the legal power and authority to act on behalf of and to bind each of those entities.

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Generation Construction Corp

James Foley

Date

Express consent to receive electronic communications pursuant to Canadian Anti-Spam Legislation (CASL). I have authority to bind the corporation and I have authority to grant consent for receipt of commercial electronic messages on behalf of the employees.

Signature and Title

Date

In the course of delivering tax services to our clients or to third parties (you), RSM Alberta LLP (we or us) applies customary practices intended to provide our services in a cost effective manner and in accordance with applicable law and professional standards. This document describes the standards for performance of our services (these Standards) relating to tax return preparation, tax advice and consultation, representation in any tax controversy matter, tax information return filings, accounting for taxes or any other Federal, provincial, or foreign tax matter.

These Standards do not constitute an agreement to provide tax services. Our agreement to provide specific tax services can only be made in the manner provided in an engagement letter signed by both you and our duly authorized partner, principal or employee (the Engagement Letter). The scope of services for a particular project will be set forth in a statement of work delivered in the manner provided in the Engagement Letter (each, a Statement of Work). These Standards may be modified for a particular project, but only to the extent we expressly agree in a Statement of Work signed by our duly authorized partner, principal or employee. Modification of these Standards in a Statement of Work will apply only to the specific services described in that Statement of Work.

These Standards reference certain tax return, reporting, withholding or other requirements frequently encountered by business taxpayers under Federal and provincial law. However, the description of any referenced requirement is only a summary as of the date these Standards were released and is not a comprehensive description of the referenced requirements. In addition, there are many other requirements under applicable law that are not referenced in these Standards.

We may revise these Standards by providing you with a copy of the revised Standards in the manner provided in the Engagement Letter. The revised Standards will apply to all Statements of Work subsequently or simultaneously delivered to you.

References in these Standards to the "Act" mean the Income Tax Act (Canada) and Regulations issued thereunder, as amended. "Tax Advice" has the meaning set forth in Section 4.1.

1. Standards Applicable to all Tax Services

1.1 Scope of Our Services. The scope of our services will be limited to the services specifically described in the applicable Statement of Work. If you require services beyond those specifically described in a particular Statement of Work, these additional services would require either a separate Statement of Work or an expansion of an existing Statement of Work at an additional cost.

1.2 Decisions. While we may provide you with advice concerning tax return reporting and tax consequences of certain transactions, you will retain all authority and responsibility for making any decisions based on our advice.

1.3 Reliance on Information. Except as provided in the applicable Statement of Work, we will not investigate or verify any facts underlying the transactions reported on your tax return, but we will rely on the financial and other information that you provide us and any financial information that we receive in connection with any assurance services we provide to you. If the actual facts are different from the facts represented to or understood by us, or if there are other facts of which we are not aware, the tax return reporting of the transactions or the conclusions in our Tax Advice could be materially different than that reported on the returns prepared by us.

1.4 Possibility of Litigation. If the Canada Revenue Agency (CRA) or another tax authority adopts a position contrary to any analysis or conclusions in our Tax Advice or to any position reported on a tax return, it might be necessary to pursue administrative appeals or litigation. Decisions of whether and how to pursue administrative appeals or litigation may be based on considerations of cost, publicity and other matters unrelated to the technical merits of a tax position. In some cases, taxpayers elect not to pursue appeals or litigation even though a reported position may ultimately be sustained on appeal or in litigation.

1.5 Changes in Law. Subsequent changes to applicable law or regulations, or the issuance of new case or ruling authority, could materially and adversely affect the analysis and conclusions in an item of Tax Advice or a position reported on a tax return. Neither the delivery of any Tax Advice nor the preparation of a tax return is an undertaking on our part to monitor or to advise you concerning any changes in law subsequent to the date of the Tax Advice or the delivery of the tax returns.

2. Tax Return Preparation

2.1 Scope of Return Preparation Services. Our services in preparing your tax returns are limited to tax return preparation, and our preparation of a return should not be viewed as assurance that any particular reported position is likely to prevail in the event of a

challenge by the CRA or another tax authority. If we become aware of a return position for which we believe a penalty under the Act is likely to apply, we will bring that position to your attention. If you would like us to advise you concerning any specific matter on your tax return, please contact us to discuss expanding the scope of our services. Any Tax Advice rendered in connection with the preparation of any tax return is subject to the provisions described under "4. Tax Advice" below. Tax return preparation and tax advisory services do not include representation in the event of an audit by the CRA or other tax authorities.

Tax return preparation services do not constitute accounting or auditing services. In addition, tax return preparation services are not designed to disclose defalcations or other irregularities, should any exist. Conversely, financial statement audits and reviews are not designed or intended to examine or address every potential income tax issue. In addition, certain potential adjustments that are deemed immaterial for financial statement reporting purposes may be required for tax reporting purposes. Please contact us if you would like us to review any specific financial statement items for compliance with applicable tax laws.

In the course of preparing tax returns, we may prepare schedules or perform accounting work as we deem necessary to prepare your returns in accordance with applicable law and professional standards. These schedules and accounting work are solely for the support of our tax return services, and may not be appropriate for financial statement or other purposes.

2.2 Our and Your Respective Responsibility for Accuracy. We will exercise due professional care and judgment to include all required information in your tax returns. The Act provides that by signing or authorizing the electronic filing of your returns, you are verifying that they are true, correct and complete. Accordingly, you should review each tax return carefully before signing the return or any e-filing authorization and bring any questionable items or any omissions to our attention.

2.3 Jurisdictions for Returns. We will prepare tax returns for those Federal, provincial, and foreign jurisdictions described in the applicable Statement of Work. We will advise you if we believe, based on the information that you provide us, that a tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval of the expansion of our scope of services. It is important that you inform us of any new or expanded activities that could trigger filing requirements in additional province(s), such as the acquisition of property or the hiring of employees in a new province. Activities of a partnership, trust or other flow-through entity in which you are an owner or beneficiary may also trigger additional provincial tax filings, so please contact us if you have acquired an interest in any such entity over the past year.

2.4 Deductions, Credits and Other Tax Incentives. If we determine that you are eligible for any tax credit, exclusion or deduction, we will either apply any such tax benefit in preparing your tax returns or we will advise of its availability and any related considerations to permit you to decide whether to take advantage of the tax benefit. Your eligibility for certain tax benefits will in some cases depend on the existence of certain documentation and may require tax research beyond the scope of tax return preparation services. Separate filings may be required in respect of certain credits to be claimed which do not form part of the tax return and which may not be late filed.

There are numerous tax credits, exclusions and deductions for which a detailed review of business or investment activities would be required to determine their availability. Such a detailed review is beyond the scope of tax return preparation. If you would like us to undertake a detailed review of your activities to identify tax credits, exclusions or deductions, please contact us to discuss the terms of an engagement for these services.

2.5 Level of Assurance. Except as expressly provided in an applicable Statement of Work, we will not review any reporting position or perform any tax research for the purpose of either (i) determining whether a position can be reported or (ii) determining whether tax penalties may apply. If you wish to report a position on the return, or if you are concerned about the potential application of tax penalties, please contact us to discuss expanding the scope of our services to include Tax Advice that may address your concerns.

2.6 Disclosure of Transactions and Information Return Filings. The Act and certain provincial laws require that you disclose on or with your tax return certain transactions or other financial information in the form of separate information return filings. There may be significant financial penalties for failure to file a required information return even if there is no understatement of tax or tax liability associated with the information return. Our tax return preparation services do not include any separate investigation to evaluate whether there are any transactions or other matters that must be disclosed on your returns, but we will advise you if we conclude that any such disclosure is required. If you would like us to specifically review any transaction or matter to evaluate whether specific reporting is required, please contact us to discuss expanding the scope of our services.

2.7 Amended Tax Returns. If you engage us to prepare any amended tax returns, our services will be limited to the reporting of the items on the amended returns that are changed from the position reported on the original (or last filed amended) returns. We will rely without investigation on the previously filed returns with respect to any position that is not amended and we will have no obligation or responsibility under this letter with respect to any such position.

2.8 Electronic Filing of Tax Returns. Federal and provincial tax laws mandate the electronic filing of certain tax returns. In some cases, a taxpayer may elect to file a tax return in paper format and in other cases an election to opt out of electronic filing is not available. Occasionally, technical limitations prevent the electronic filing of a particular return.

We will use our best efforts to electronically file your tax returns. Prior to electronic filing, we will provide you with the information to be included on your return for your review and approval. Federal and provincial laws require that we obtain your written authorization prior to electronically filing a return, so it is critical that you sign and return the authorization form to permit electronic filing by the return's due date.

If we cannot electronically file any tax return, whether due to technical limitations or for any other reason, we will provide you with those returns for filing in paper format. If any return is provided to you in paper format for filing, it is critical that you sign, date and mail that return by its due date.

2.9 Your Copy of Your Tax Returns. We will provide you with an electronic copy of the tax return or the required information in a *.pdf* or similar format. If you would like to receive a paper copy in lieu of the electronic copy, please notify us in writing as soon as possible.

2.10 Notices. Occasionally, the CRA or other Provincial tax authority will send a notice of reassessment recalculating tax liability or requesting additional documentation following the filing of a tax return. If you receive such a notice, you should forward a copy of the notice to us as soon as possible since a notice may in some cases affect future tax services and require responses within a specified time frame. In addition, we will at your request assist you in responding to any notice relating to any of your tax returns that we prepare.

2.11 Use of Tax Returns. Because of their special purpose, nature and format, income tax returns do not constitute financial statements prepared in accordance with international financial reporting standards. The tax returns should be used only for income tax purposes and must not be used as a substitute for financial statements.

3. Estimated Taxes

3.1 Estimated Taxes. Federal and provincial laws require taxpayers to make estimated tax payments relating to their current year tax liability, and a failure to make adequate estimated tax payments to the Receiver General or to a provincial tax authority could result in tax penalties.

An engagement to prepare annual tax returns will not include services for estimated tax planning or preparation unless expressly stated. If you engage us to

assist you in calculating estimated tax payments, you must provide us with the information we request and with any other information relevant to your tax liability (including information concerning the allocation or apportionment between provinces) at least 30 days prior to the due dates of your estimated payments. If you would like us to assist you with estimated tax planning, you should contact us at least 45 days prior to the due date of the next estimated tax payment.

In calculating the amount of any estimated tax payment, we will rely on information that you provide and we will not audit or otherwise verify this information. In the event that the information you provide is different from the actual amounts of income, gain, deduction or loss, the amount of tax liability on your tax returns may be different from the aggregate amount of the estimated tax payments made. If the actual amount of that liability to any jurisdiction exceeds the aggregate estimated tax payments made to that jurisdiction for any period, it is possible that a tax penalty and applicable interest charges could apply.

3.2 Schedules of Estimated Tax Payments. At the time we deliver your tax returns to you, we may provide you with a schedule of estimated tax payments for the current year. Unless otherwise expressly stated on the schedule, the payments on any such schedule will be based solely on your prior year tax liabilities from the Federal and provincial income tax returns that we prepare on your behalf. While the payments will be intended to avoid Federal and provincial penalties for the underpayment of estimated taxes and any applicable interest thereon, your actual current year income tax liabilities could be materially different from the aggregate amount of these payments. In that event you may owe tax penalties and any applicable interest charges.

4. Tax Advice

4.1 What Constitutes Tax Advice. Any definitive advice concerning any tax matter depends on the particular facts of your situation, as well as the law and related authorities (e.g. regulations, case law, rulings etc.) that apply to those facts. Our professional standards require that we exercise appropriate due diligence in providing tax advice, taking into consideration the scope of our engagement and the type and specificity of the advice that you request. This due diligence may require review or confirmation of certain facts and research concerning applicable tax authorities. In order to confirm our mutual understanding regarding material facts and to provide you with an understanding of any particular risks associated with any tax positions addressed, all definitive advice that we provide concerning any tax matter (Tax Advice) must be in writing in the form of a letter or a memorandum.

We are happy to discuss with you our views regarding the tax treatment of certain items. We may also provide you with tax information in the body of an email.

However, any communication or information delivered to you orally or in the body of an email (as opposed to a letter or memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions.

Because of these limitations and the related risks, oral and email communications will not be deemed Tax Advice, and it may not be appropriate for you to proceed with any transaction or any tax return reporting solely on the basis of any oral or email communication. We recognize that in some cases you may choose to proceed without obtaining Tax Advice due to considerations of cost, timing and your evaluation of potential risks. If you choose to proceed with any transaction or tax return reporting position without obtaining Tax Advice from us, then you accept all responsibility for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of Tax Advice that is delivered to you as a document attached to an email.

In providing our tax services, we may provide you with tax or financial schedules and calculations. These schedules and calculations, standing alone, cannot adequately describe the merits and risks of any tax position or the assumptions underlying the schedule or calculations. Accordingly, these schedules and calculations should not be viewed as assurance of the correctness of any particular tax position. If you would like assurance regarding the tax positions upon which any schedule or calculation is based, please contact us to discuss the merits of our providing you with Tax Advice to support those calculations.

4.2 Facts and Assumptions. Our investigation to confirm or verify any facts described in any Tax Advice will be limited to the investigation described in the body of the Tax Advice, and we will rely on the facts, assumptions and representations described in the Tax Advice. Any change in or addition to these facts, assumptions or representations could materially and adversely affect our analysis and conclusions. If you for any reason believe that any facts, assumptions or representations in any Tax Advice are incorrect or incomplete, you must notify us immediately to discuss the impact on our analysis and conclusions. You should not rely upon any item of Tax Advice that is based on facts, assumptions or representations that you believe to be incorrect or incomplete.

4.3 Applicable Law. A majority of our Tax Advice addresses Federal income tax matters. Unless expressly stated in our Tax Advice, our analysis and conclusions will relate solely to Federal income tax consequences under the Act as of the date of our Tax Advice. If you would like us to address tax

consequences to you under any other applicable tax law, please contact us to discuss expanding the scope of our services.

4.4 Issues Addressed. Each item of Tax Advice will be limited to advice concerning the tax issues described in the Tax Advice, and it may not consider all of the issues that may arise in connection with the subject matter of the advice. Except as expressly stated in an item of Tax Advice, our advice is not an endorsement of any particular transaction structure or accounting method, nor is it a recommendation that any addressee proceed with any transaction or other matter described in the Tax Advice.

4.5 Level of Assurance for Tax Advice; No Guarantee. Many areas of tax law are unclear, and the application of the tax law to any particular facts may be subject to more than one interpretation. Our Tax Advice will be based upon our interpretation of applicable law and regulations and certain case and ruling authority as of the date of the Tax Advice. The level of assurance for any particular item of Tax Advice will depend on the underlying facts, the clarity of applicable law, regulations, case and ruling authority, and the extent of factual due diligence and tax research performed. The conclusions in our Tax Advice will be based on our good faith belief that they meet the level of assurance stated in the Tax Advice. Obtaining Tax Advice at a particular level of assurance may in some cases provide a defense to certain tax penalties, but you should not assume that an item of Tax Advice will offer you protection from penalties except as expressly stated in the Tax Advice.

A Statement of Work may indicate a desired level of assurance for Tax Advice addressing a particular tax position. Because the ultimate level of assurance with respect to any tax position will depend on our findings with respect to the underlying facts and the results of our tax research, no Statement of Work should be viewed as a binding commitment to deliver Tax Advice concerning any tax position at a particular level of assurance.

Our analysis and conclusions will be based upon our professional judgment, will not be a guarantee of the ultimate tax consequences of the transactions described in the Tax Advice and will not be binding on the CRA, any provincial or foreign tax authority, or any court. If you would like greater certainty regarding the tax treatment of any particular transaction, please contact us to discuss the possibility of obtaining a ruling from the appropriate tax authority.

4.6 Reliance and Distribution. Each item of Tax Advice is rendered only for the benefit of the named addressee(s), and does not address the tax consequences to any other person or entity that is not an addressee. No person or entity other than the named addressee(s) may rely on the Tax Advice.

To avoid confusion regarding matters of reliance, our Tax Advice may not be delivered to any other party unless you advise the recipient of these limitations on reliance. You may not include any item of Tax Advice in any prospectus, private placement memorandum or other document used to offer any securities or to otherwise obtain financing.

Unless expressly provided in an item of Tax Advice, but subject to the limitations in the preceding paragraph, you are free to share the Tax Advice with any third party. You may deliver a copy of any Tax Advice to the CRA or any provincial or foreign tax authority for the purpose of demonstrating good faith and reliance on the analysis and conclusions expressed therein.

5. Tax Controversy Matters

5.1 Audits and Appeals. (a) In connection with any audit of a return by the CRA or any other tax authority, we will perform the following services as we deem appropriate to properly respond to the audit:

- (i) assist you in responding to requests for information from the tax authority;
- (ii) conduct tax research and advise you concerning the merits of your reported tax position(s) and the merits of any potential challenge to your reported position(s);
- (iii) participate in meetings and conference calls with you and with representatives of the tax authority;
- (iv) prepare any amended tax returns required as a result of the audit;
- (v) prepare and file any taxpayer protest or other documents necessary for any administrative appeal; and
- (vi) assist you in evaluating the terms of any proposed assessment, settlement or appellate determination.

(b) We will consult with you throughout the audit or appeal concerning all significant services that we plan to perform. Except as required by law or by applicable professional rules, we will not perform any service that you have specifically asked that we not perform.

(c) In any audit, appeal or litigation, decisions whether to contest or to concede an assessment or a particular tax position are often affected by considerations other than the technical merits of a position (e.g. the costs of proceeding). We will use our best efforts to assist you in evaluating these other considerations.

5.2 Litigation. Should you ultimately choose to pursue litigation as a result of any assessment arising out of an audit, we would not be able to represent you in any court. If you choose to pursue litigation at any point, we strongly recommend that you retain legal counsel experienced in tax litigation matters. Although we cannot represent you in court, we would be able to assist your

legal counsel in understanding the facts of your case, the technical merits of your position and other matters we encounter during the course of our services.

6. Tax Withholding Matters

6.1 Nonresident and Foreign Owner Withholding.

Tax laws in some cases require taxpayers to withhold taxes on behalf of nonresident or foreign owners or beneficiaries and remit the taxes withheld. A failure to remit taxes required to be withheld may result in tax penalties and interest. If you engage us to assist you in calculating nonresident or foreign owner withholding tax payments, we will perform those calculations for those taxpayers identified in the applicable Statement of Work under Federal law. For us to calculate these amounts, you must provide us with the information we request, including information regarding nonresident or foreign owners or beneficiaries, at least 30 days prior to the date of any payment to a nonresident owner or beneficiary.

In calculating the amount of any nonresident or foreign withholding or payments, we will rely on information that you provide and we will not audit or otherwise verify this information. If the information you provide is different from the actual amounts of income, gain, deduction or loss allocated to any nonresident or foreign owner or beneficiary, the amount of the required withholding may be different from the amounts withheld or remitted. If the actual amount of the required withholding for any jurisdiction exceeds the aggregate withholding tax payments made to that jurisdiction for any period, it is possible that penalties and interest could apply.

7. Authorizations

7.1 Authorization to Communicate with Federal and Provincial Tax Authorities. In connection with your tax return filings, tax account administration, audit, appeal or other tax controversy matter, you may grant to us authorization to communicate with Federal and Provincial tax authorities on your behalf.

Notwithstanding any grant authorization, all significant decisions concerning any audit, appeal or other tax controversy matter, will be decisions to be made by you in your sole discretion and any documents or responses prepared by us will be discussed with you and reviewed by you prior to being provided to the relevant tax authority.

8. Foreign Information Reporting

8.1 Foreign Information Reporting. Individuals, corporations, partnerships, trusts and estates who have a financial interest in a foreign country or transact with non-residents may be required to make separate information return filings to report such interests or transactions, as the case may be, where the applicable reporting criteria in the Act are satisfied. Separate information return filing requirements also apply to

taxpayers with direct or indirect control over foreign entities. Although information returns do not have an associated income tax liability, failure to file foreign information returns where required may result in the application of late filing penalties and related interest

During the course of our engagement, we may identify information or transactions that would give rise to a foreign information return requirement. We will advise you if we believe, based on the information that you provide us, that an information return may be required, but we will not prepare any such tax return without your approval of the expansion of our scope of services.

Rev 8/30/19

Client(s): Generation Construction Corp

Date: October 30, 2020

The taxpayer(s) identified above (you or your) and RSM Alberta LLP (we, our or us) have entered into an engagement letter for tax services (the Engagement Letter). Under the Engagement Letter, the scope and nature of our tax services and any deliverables are to be described in separate statements of work for separate projects. This document is a “Statement of Work” under the Engagement Letter.

All services described in or provided pursuant to this Statement of Work are subject to the terms, conditions and limitations of the Engagement Letter and the Standards of Services in Tax Matters for Business Taxpayers that we have provided to you and are in effect as of the above date. Handwritten changes to this Statement of Work will have no legal effect.

Description of Our Services under this Statement of Work

Tax Return Preparation

We will prepare the tax returns for the entities, jurisdictions and tax periods specified in the attached “Schedule of Tax and Information Returns to be Prepared.” If you would like to add related taxpayers to this schedule, please call us to discuss expanding the scope of our tax return preparation services. If you choose to add taxpayers or additional tax or information return filings, this will increase the amount of our fees and expenses described below.

Some taxpayers have begun issuing, utilizing, trading or investing in virtual currencies (e.g. Bitcoin). Canada Revenue Agency guidance governing the reporting of transactions involving virtual currencies generally requires each transaction to be treated as a sale or exchange of property at its then fair market value, so clients’ accounting systems must be able to track these transactions and determine fair market value to ensure proper income tax reporting. If you have engaged in transactions involving virtual currencies, we may be required to review your systems of accounting for those transactions and your approach to determining fair market value of the virtual currencies, which may increase the amount of our fees. Please note that in preparing any tax returns reporting virtual currency transactions, we will not provide any assurance as to the correctness of any determination of fair market value.

To prepare your tax returns, it will be necessary for you to provide us with the financial and other information that we request. We will provide you with a Client Assistance Package and may request additional information, and it is necessary for you to respond to these requests completely and accurately. If you have any questions concerning a particular question or request, please contact us. We will also request financial information for use in preparing your tax returns from any other firm(s) that you have engaged to provide you with audit, review or compilation services.

You must deliver all financial and other information necessary for preparation of your returns to us at least 45 days prior to the due date of the returns. Applicable laws and professional standards require us to apply certain review procedures in preparing a tax return, and we need adequate time to perform these procedures. If for any reason you are unable to provide us with this information at least 45 days prior to the due date, you must contact us as soon as possible so that we can modify the staffing and scheduling of our services. We will contact you if at any time we conclude that we will be unable to complete any return by the filing due date.

We will request a large portion of the tax and financial information from you in an electronic format. Certain other information requests may be in hard copy. We will work with your management team to assist you in providing us this information in an appropriate electronic format, but we will depend heavily upon your employees and representatives in obtaining information in the most appropriate format. If any requested information is not received or is received in an unusable format, we will return the items to you

for completion or correction. If you cannot provide information in the requested format, or if it becomes necessary for us to prepare or to correct information to be provided by you, our fees for preparing your tax returns will increase. If at any time you believe you might be better served by having us perform a particular task, please contact us to discuss modifying the scope of our services and the amount of any additional fees.

Consultations Regarding Tax Matters

In connection with your tax returns or in response to your request(s), we may respond to questions, provide general tax information or explanations, discuss tax issues or otherwise consult with you concerning various tax matters. We call your attention to the limited nature of due diligence and research typically performed in providing information regarding tax matters orally or via email, and the limitations on your ability to rely on any oral or email communications.

Consultations Regarding General Business Matters

We recognize that you face a wide variety of business questions and challenges. In connection with your tax returns or in response to your request(s), we may respond to your questions, provide general information or explanations, discuss issues or otherwise consult with you to provide you with insights regarding nontax matters based on the experience of the tax professional primarily responsible for overseeing our tax services to you. We call your attention to the limited nature of research typically performed in providing this general business information. We are of course happy to meet with you to discuss your business questions and challenges in more detail and to assist you in tailoring solutions for your business, but those services would be performed under a separate statement of work and for additional fees. Any such nontax advice does not constitute legal or investment advice.

Impact of COVID-19 on Our Services

Both you and we acknowledge that, at the time of the execution of this Statement of Work, national, provincial, and local governments, both domestic and foreign, have restricted travel and/or the movement of people due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in Canada and around the globe, we have restricted our employees from travel and onsite work, whether at a client facility or an RSM facility, to protect the health of both our clients' employees and our employees. Accordingly, to the extent that any of the services described in this Statement of Work requires your or our personnel to travel and/or perform work onsite, either at your or our facilities, you and we acknowledge that the performance of this work may be delayed and that certain services described in this Statement of Work may need to be rescheduled and/or suspended at either your or our sole discretion. Each party agrees to provide the other with prompt notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. The parties acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein.

Fees and Expenses

Our fees for our services described in this Statement of Work will be calculated as provided in the Engagement Letter. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns. All sales, use, value-added or other similar taxes will be charged in addition to the fees and expenses.

Schedule of Tax and Information Returns to be Prepared

Entity Name	Return Type(s)	Tax Period(s)	Jurisdictions
Generation Construction Corp	T2	2020	Federal & Provincial
Generation Construction Corp	GST	2020	Federal



October 19, 2020

Generation Construction Corp.
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Attention: James Foley

Dear James:

Re: Generation Construction Corp.

You have requested that we compile the financial statements of Generation Construction Corp. (the Company), which comprise the balance sheet as of July 31, 2021, the related statements of income and retained earnings for the year then ending, (collectively, the financial statements), and perform a compilation engagement with respect to those financial statements. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

As agreed, we will compile financial statements in accordance with the standards applicable to compilation engagements for the year ending July 31, 2021. We will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

On the basis of information provided by management, we have compiled the balance sheet of Generation Construction Corp. as July 31, 2021, and the related statements of income and retained earnings, for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Since we are accepting this engagement as accountant, not as auditor, we request that you do not record this as an auditing engagement in the minutes of your shareholders' meetings. Our services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

1. the Company will provide us with accurate and complete information necessary to compile the financial statements;
2. the responsibility for the accuracy and completeness of the representations in the financial statements remains with the Company;
3. each page of the financial statements will be conspicuously marked as "Unaudited — See Notice to Reader";

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4. you will attach our Notice to Reader when distributing the financial statements to third parties;
5. the financial statements may either lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, and may not be appropriate for general purpose use; and
6. uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

The engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. We wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Because RSM Alberta LLP ("RSM") will rely on the Company and its management and Shareholders to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company's management that has caused, in any respect, RSM's breach of contract or negligence. Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due to our negligence.

This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our compilation, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.

Fees and disbursements (if any) will be billed to you on an interim basis as the work is performed or upon completion of the work and will be due and payable upon presentation of our invoices. Applicable taxes will be charged in addition to fees, costs and disbursements. Invoices unpaid 45 days past the billing date will be deemed delinquent, and are subject to an interest charge of 12% per annum.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the

Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

Generation Construction Corp. and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of Generation Construction Corp. arising from this engagement is limited to the amount of fees paid by Generation Construction Corp. to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of Generation Construction Corp. proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Generation Construction Corp. agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Generation Construction Corp. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein and to perform a compilation engagement with respect to those same financial statements and our respective responsibilities.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Company:

James Foley

Date

Generation Construction Corp.

Year End: July 31, 2020

Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/23/2020	KC 10/24/2020	MS 10/29/2020	

8001

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg	%Chg
1040 TD Chequing Acct	36.32	0.00	0.00	36.32	195.08	(158.76)	(81)	
5000 Cash and cash equivalents	36.32	0.00	0.00	36.32	195.08	(158.76)	(81)	
1880 Land	3,258,415.21	54,189.21	0.00	3,312,604.42	3,154,168.56	158,435.86	5	
5500 Land	3,258,415.21	54,189.21	0.00	3,312,604.42	3,154,168.56	158,435.86	5	
1882 Machinery & Equipment	55,177.88	0.00	0.00	55,177.88	55,177.88	0.00	0	
5500.100 Equipment	55,177.88	0.00	0.00	55,177.88	55,177.88	0.00	0	
2642 Due to Ellis Fabrications Inc.	(1,189,545.82)	21,338.48	0.00	(1,168,207.34)	(1,029,940.71)	(138,266.63)	13	
5600.300 Due to/from related par	(1,189,545.82)	21,338.48	0.00	(1,168,207.34)	(1,029,940.71)	(138,266.63)	13	
2100 Accounts Payable	(799.31)	0.00	0.00	(799.31)	(799.31)	0.00	0	
2125 Accrued Professional Fees	3,000.00	(9,000.00)	0.00	(6,000.00)	(3,000.00)	(3,000.00)	100	
6100 Accounts payable	2,200.69	(9,000.00)	0.00	(6,799.31)	(3,799.31)	(3,000.00)	79	
2315 GST Paid on Purchases	0.00	0.00	0.00	0.00	103.57	(103.57)	(100)	
6102 GST	0.00	0.00	0.00	0.00	103.57	(103.57)	(100)	
2160 Corporate Taxes payable	0.00	(4,500.00)	0.00	(4,500.00)	(2,000.00)	(2,500.00)	125	
6150 Income taxes payable	0.00	(4,500.00)	0.00	(4,500.00)	(2,000.00)	(2,500.00)	125	
2500 Accrued interest on long-term	0.00	(72,569.72)	0.00	(72,569.72)	0.00	(72,569.72)	0	
6200 Accrued expenses and oth	0.00	(72,569.72)	0.00	(72,569.72)	0.00	(72,569.72)	0	
2635 Current portion of LTD	0.00	(136,626.36)	0.00	(136,626.36)	(136,626.36)	0.00	0	
6601 Current portion of long-terr	0.00	(136,626.36)	0.00	(136,626.36)	(136,626.36)	0.00	0	
2630 FCC Mortgage Payable	(2,049,039.40)	(16,226.41)	0.00	(2,065,265.81)	(2,129,095.07)	63,829.26	(3)	
2636 Less: Current portion of LTD	0.00	136,626.36	0.00	136,626.36	136,626.36	0.00	0	
6602 Long-term debt	(2,049,039.40)	120,399.95	0.00	(1,928,639.45)	(1,992,468.71)	63,829.26	(3)	
3350 Share Capital	(100.00)	0.00	0.00	(100.00)	(100.00)	0.00	0	
6900.100 Equity shares	(100.00)	0.00	0.00	(100.00)	(100.00)	0.00	0	
3560 Retained Earnings - Previous	(59,155.21)	14,445.21	0.00	(44,710.00)	(34,306.80)	(10,403.20)	30	
6900.400 Retained earnings	(59,155.21)	14,445.21	0.00	(44,710.00)	(34,306.80)	(10,403.20)	30	
4430 Land Rent Revenue	(27,840.00)	0.00	0.00	(27,840.00)	(27,840.00)	0.00	0	
7000 Revenues	(27,840.00)	0.00	0.00	(27,840.00)	(27,840.00)	0.00	0	
5685 Insurance	0.00	0.00	0.00	0.00	950.00	(950.00)	(100)	
7200.103 Insurance	0.00	0.00	0.00	0.00	950.00	(950.00)	(100)	
5690 Interest & Bank Charges	15.16	0.00	0.00	15.16	52.75	(37.59)	(71)	
7200.104 Interest and bank charg	15.16	0.00	0.00	15.16	52.75	(37.59)	(71)	
5696 Interest on Long Term Debt	11,028.57	5,323.23	0.00	16,351.80	12,312.63	4,039.17	33	
7200.105 Interest on long term d	11,028.57	5,323.23	0.00	16,351.80	12,312.63	4,039.17	33	

Generation Construction Corp.

Year End: July 31, 2020

Leadsheet Summary

8001-1

Prepared by	Detail Review	General Review	Tax Review
SMM 10/23/2020	KC 10/24/2020	MS 10/29/2020	

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount Chg	%Chg
5700 Office	0.00	0.00	0.00	0.00	191.38	(191.38)	(100)
7200.107 Office expenses	0.00	0.00	0.00	0.00	191.38	(191.38)	(100)
5610 Accounting & Legal	(1,193.40)	4,500.00	0.00	3,306.60	1,930.04	1,376.56	71
7200.108 Professional fees	(1,193.40)	4,500.00	0.00	3,306.60	1,930.04	1,376.56	71
5800 Income tax provision	0.00	2,500.00	0.00	2,500.00	2,000.00	500.00	25
7500 Income taxes	0.00	2,500.00	0.00	2,500.00	2,000.00	500.00	25
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
Net Income (Loss)	17,989.67			5,666.44	10,403.20	(4,736.76)	(46)

Generation Construction Corp.

Year End: July 31, 2020

Adjusting Journal Entries

Date: 8/1/2019 To 7/31/2020

Prepared by	Detail Review	General Review	Tax Review
SMM 10/23/2020	KC 10/24/2020	MS 10/29/2020	

8010

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	8/1/2019	Land	1880	6903		17,898.16		
1	8/1/2019	Accrued Professional Fees	2125	6903		4,500.00		
1	8/1/2019	Corporate Taxes payable	2160	6903		2,000.00		
1	8/1/2019	FCC Mortgage Payable	2630	6903		11,385.53		
1	8/1/2019	Due to Ellis Fabrications Inc.	2642	6903	21,338.48			
1	8/1/2019	Retained Earnings - Previous Year	3560	6903	14,445.21			
		To adjust opening retained earnings to actual.						
2	7/31/2020	Accrued Professional Fees	2125	ACCT.2125		4,500.00		
2	7/31/2020	Accounting & Legal	5610	ACCT.2125	4,500.00			
		To adjust accounting fee accrual to actual.						
3	7/31/2020	Land	1880	6602	2,417.82			
3	7/31/2020	Interest on Long Term Debt	5696	6602		2,417.82		
		To adjust the deductible portion of long-term debt.						
4	7/31/2020	Land	1880	6602	65,312.75			
4	7/31/2020	Accrued interest on long-term debt	2500	6602		72,569.72		
4	7/31/2020	Interest on Long Term Debt	5696	6602	7,256.97			
		To record accrued interest on long-term debt.						
5	7/31/2020	Current portion of LTD	2635	PERM-5		136,626.36		
5	7/31/2020	Less: Current portion of LTD	2636	PERM-5	136,626.36			
		To record the current portion of long-term debt.						
6	7/31/2020	Corporate Taxes payable	2160	6150		2,500.00		
6	7/31/2020	Income tax provision	5800	6150	2,500.00			
		To record a provision for income taxes.						
7	7/31/2020	Land	1880	6602	4,356.80			
7	7/31/2020	FCC Mortgage Payable	2630	6602		4,840.88		
7	7/31/2020	Interest on Long Term Debt	5696	6602	484.08			
		To adjust mortgage to actual at year end.						
					259,238.47	259,238.47		
		Net Income (Loss)	5,666.44					



CLIENT'S COPY

CLIENT: Generation Construction Corp.

YEAR END: July 31, 2020

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Signatures: An authorized signing officer should complete the certification section of the original copies (enclosed) of each of the following forms:

Table with 2 columns: Form, Description. Row 1: T183, Information Return for Electronic Filing

Filing The T2 is required to be filed electronically. Please return a signed T183 Information Return for Electronic Filing form to us so that we may transmit the return.

Table with 4 columns: Payment of Tax, Description, Payable, Refund. Rows for Federal and Alberta Provincial payments.

Table with 2 columns: Tax Outstanding, Description, Amount. Rows for Federal and Provincial owing from prior year.

We advise you to make arrangements to pay the balances as soon as possible.

Tax Instalments Based on your company's income for the July 31, 2020 fiscal year end, instalments for the fiscal year ended July 31, 2021 are

[X] Not required [] Required as shown on the attached schedule (subject to any payments which have been made to date)

Other Copies of the required returns and related schedules are enclosed for your records. The returns have been prepared from information and records you have supplied, and should be reviewed by you for completeness before filing.

T2 Corporation Income Tax Return

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 86455 2419 RC0001

002 Corporation's name
Generation Construction Corp.

Address of head office
Has this address changed since the last time we were notified? **010** Yes No

If **yes**, complete lines 011 to 018.
011 4207 53 STREET CLOSE
012

015 City: INNISFAIL **016** Province, territory, or state: AB

017 Country (other than Canada): **018** Postal or ZIP code: T4G 1P9

Mailing address (if different from head office address)
Has this address changed since the last time we were notified? **020** Yes No

If **yes**, complete lines 021 to 028.
021 c/o
022 4207 53 STREET CLOSE
023

025 City: INNISFAIL **026** Province, territory, or state: AB

027 Country (other than Canada): **028** Postal or ZIP code: T4G 1P9

Location of books and records (if different from head office address)
Has this address changed since the last time we were notified? **030** Yes No

If **yes**, complete lines 031 to 038.
031 4207 53 STREET CLOSE
032

035 City: INNISFAIL **036** Province, territory, or state: AB

037 Country (other than Canada): **038** Postal or ZIP code: T4G 1P9

040 Type of corporation at the end of the tax year (tick one)
 1 Canadian-controlled private corporation (CCPC)
 2 Other private corporation
 3 Public corporation
 4 Corporation controlled by a public corporation
 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change **043** Year Month Day

To which tax year does this return apply?
Tax year start: **060** 2019-08-01
Tax year-end: **061** 2020-07-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? **063** Yes No

If **yes**, provide the date control was acquired **065** Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? **066** Yes No

Is the corporation a professional corporation that is a member of a partnership? **067** Yes No

Is this the first year of filing after:
Incorporation? **070** Yes No
Amalgamation? **071** Yes No

If **yes**, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year? **072** Yes No

If **yes**, complete and attach Schedule 24.

Is this the final tax year before amalgamation? **076** Yes No

Is this the final return up to dissolution? **078** Yes No

If an election was made under section 261, state the functional currency used **079**

Is the corporation a resident of Canada? **080** Yes No

If **no**, give the country of residence on line 081 and complete and attach Schedule 97.
081

Is the non-resident corporation claiming an exemption under an income tax treaty? **082** Yes No

If **yes**, complete and attach Schedule 91.
If the corporation is exempt from tax under section 149, tick one of the following boxes:
085 1 Exempt under paragraph 149(1)(e) or (l)
 2 Exempt under paragraph 149(1)(j)
 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
 4 Exempt under other paragraphs of section 149

095 Do not use this area **096** **898**

Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input checked="" type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	T 1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T 1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T 1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T 1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T 1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T 1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T 1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T 2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T 2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?	531310 Real Estate Property Managers		
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Rental	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	5,043	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
		a	
	Subtotal		B
	Subtotal (amount A minus amount B) (if negative, enter "0")	5,043	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360	5,043	
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		5,043	Z
Taxable income for the year from a personal services business			Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income eligible for the small business deduction from Schedule 7	400	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405	5,043 B
Business limit (see notes 1 and 2 below)	410	2,500 C

- Notes:**
- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
 - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 2,500 x **415** *** = 11,250 D = E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** 15,527 - 50,000 = F

Amount C 2,500 x Amount F / 100,000 = G

Subtotal (the greater of amount E and amount G) **422** H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0") **425** I

Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0") **426** 2,500 J

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5) K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) **427** L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) **428** 2,500 M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least x Number of days in the tax year before January 1, 2018 366 x 17.5 % = 1

Amount A, B, C, or L, whichever is the least x Number of days in the tax year after December 31, 2017, and before January 1, 2019 366 x 18 % = 2

Amount A, B, C, or L, whichever is the least x Number of days in the tax year after December 31, 2018 366 x 19 % = 3

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least x 19 % = 4

Small business deduction (total of amounts 1 to 4) **430** N

Enter amount N at amount J on page 8.

* Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

***** Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
1.	490	500	505
Total		510	515

Notes:

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - (I) persons (other than the private corporation) with which the corporation deals at arm's length, or
 - (II) partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	5,043	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		B
Amount 13K from Part 13 of Schedule 27		C
Personal services business income	432	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least		E
Aggregate investment income from line 440 on page 6*	5,043	F
Subtotal (add amounts B to F)	5,043	G
Amount A minus amount G (if negative, enter "0")		H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % I
Enter amount I on line 638 on page 8.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)		J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27		K
Amount 13K from Part 13 of Schedule 27		L
Personal services business income	434	M
Subtotal (add amounts K to M)		N
Amount J minus amount N (if negative, enter "0")		O

General tax reduction – Amount O multiplied by 13 % P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7	440	5,043	x	30 2 / 3 %	=		1,547	A			
Foreign non-business income tax credit from line 632 on page 8								B			
Foreign investment income from Schedule 7	445		x	8 %	=			C			
Subtotal (amount B minus amount C) (if negative, enter "0")									D		
Amount A minus amount D (if negative, enter "0")								1,547	E		
Taxable income from line 360 on page 3		5,043						F			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least											
Foreign non-business income tax credit from line 632 on page 8											
			x	75 / 29	=			H			
Foreign business income tax credit from line 636 on page 8											
			x	4	=			I			
Subtotal (add amounts G to I)									J		
Subtotal (amount F minus amount J) (if negative, enter "0")							5,043	K	x 30 2 / 3 % =	1,547	L
Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9)								1,950	M		
Refundable portion of Part I tax – Amount E, L, or M, whichever is the least							450		1,547	N	

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Subtotal (line 460 minus line 465)		O
Refundable portion of Part I tax from line 450 above	1,547	P
Total Part IV tax payable from Schedule 3		Q
Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (amount P plus amount Q plus line 480)		R
Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R		485

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3		x	38 1 / 3 %	=		S
Refundable dividend tax on hand at the end of the tax year from line 485 above						T
Dividend refund – Amount S or T, whichever is less						U
Enter amount U on line 784 on page 9.						

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460	1,223	
Dividend refund for the previous tax year	465		
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480		
Subtotal (line 460 minus line 465 plus line 480)		1,223	1,223 A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)			2,504 B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D
Subtotal (amount C minus amount D) (if negative, enter "0")			E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")		2,504	F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G
Subtotal (amount F plus amount G)		2,504	2,504 H
Amount H multiplied by 38 1 / 3 %			960 I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520	960	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535	263	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M
Subtotal (amount L plus amount M)			N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)		1,547	Q
Part IV tax before deductions (amount 2A from Schedule 3)			R
Part IV tax allocated to ERDTOH (amount N)			S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T
Subtotal (amount R minus total of amounts S and T)			U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545	1,810	Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530	960	

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)			AA
ERDTOH balance at the end of the tax year (line 530)		960	BB
Eligible dividend refund (amount AA or BB, whichever is less)			CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)			DD
NERDTOH balance at the end of the tax year (line 545)		1,810	EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")			GG
Amount BB minus amount CC (if negative, enter "0")		960	HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* – Amount CC plus amount FF plus amount II			JJ
Enter amount JJ on line 784 on page 9.			

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) multiplied by 38 %	550	1,916	A
Additional tax on personal services business income (section 123.5)			
Taxable income from a personal services business	555	x 5 % = 560	B
Recapture of investment tax credit from Schedule 31	602		C
Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income (if it was a CCPC throughout the tax year)			
Aggregate investment income from line 440 on page 6		5,043	D
Taxable income from line 360 on page 3	5,043		E
Deduct:			
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least			F
Net amount (amount E minus amount F)	5,043	5,043	G
Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G	604	538	H
Subtotal (add amounts A, B, C, and H)		2,454	I
Deduct:			
Small business deduction from line 430 on page 4			J
Federal tax abatement	608	504	
Manufacturing and processing profits deduction from Schedule 27	616		
Investment corporation deduction	620		
Taxed capital gains	624		
Federal foreign non-business income tax credit from Schedule 21	632		
Federal foreign business income tax credit from Schedule 21	636		
General tax reduction for CCPCs from amount I on page 5	638		
General tax reduction from amount P on page 5	639		
Federal logging tax credit from Schedule 21	640		
Eligible Canadian bank deduction under section 125.21	641		
Federal qualifying environmental trust tax credit	648		
Investment tax credit from Schedule 31	652		
Subtotal		504	K
Part I tax payable – Amount I minus amount K		1,950	L
Enter amount L on line 700 on page 9.			

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	1,950
Part II surcharge payable from Schedule 46	708	
Part III.1 tax payable from Schedule 55	710	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	

Total federal tax 1,950

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** AB
 (if more than one jurisdiction, enter "multiple" and complete Schedule 5)
 Net provincial or territorial tax payable (except Quebec and Alberta)

760
770 1,950 A

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund from amount U on page 6 or JJ on page 7	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit (Form T1131)	796
Film or video production services tax credit (Form T1177)	797
Canadian journalism labour tax credit from Schedule 58	798
Tax withheld at source	800

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840

Total credits **890** 1,950 B

Refund code **894**

Refund 1,950

Balance (amount A minus amount B) 1,950

If the result is negative, you have a **refund**.
 If the result is positive, you have a **balance owing**.
 Enter the amount on whichever line applies.
 Generally, we do not charge or refund a difference of \$2 or less.

Balance owing 1,950

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start Change information **910** _____
 Branch number

914 _____ **918** _____
 Institution number Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** S7047

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, **950** Foley Last name **951** James First name **954** Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2020-10-30 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (403) 227-1001 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes No

958 _____ Name of other authorized person **959** _____ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
 Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français.

990 1

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Generation Construction Corp.	Business number 86455 2419 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125		<u>5,666</u>	A
Add:			
Provision for income taxes – current	101	<u>2,500</u>	
Subtotal of additions		<u>2,500</u>	<u>2,500</u>
Other additions:			
Miscellaneous other additions:			
1 Description	2 Amount		
605	295		
Total of column 2		296	
Subtotal of other additions		199	<u>0</u>
Total additions		500	<u>2,500</u>
Amount A plus line 500		<u>8,166</u>	B
Deduct:			
Capital cost allowance from Schedule 8	403	<u>3,123</u>	
Subtotal of deductions		<u>3,123</u>	<u>3,123</u>
Other deductions:			
Miscellaneous other deductions:			
1 Description	2 Amount		
705	395		
Total of column 2		396	
Subtotal of other deductions		499	<u>0</u>
Total deductions		510	<u>3,123</u>
Net income (loss) for income tax purposes (amount B minus line 510)		<u><u>5,043</u></u>	C
Enter amount C on line 300 of the T2 return.			

Aggregate Investment Income and Income Eligible for the Small Business Deduction

Corporation's name Generation Construction Corp.	Business number 86455 2419 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this schedule if you are a Canadian-controlled private corporation (CCPC) to calculate:
 - your aggregate investment income and foreign investment income, as defined in subsection 129(4), to determine the refundable portion of Part I tax, and your adjusted aggregate investment income, as defined in subsection 125(7), for the purpose of the business limit reduction
 - your **specified partnership income**, as defined in subsection 125(7), if you are a member (or **designated member**) of one or more partnerships, and
 - your income from an active business carried on in Canada eligible for the small business deduction including any **specified corporate income** as defined in subsection 125(7)
- Use this schedule if another CCPC is making an assignment of **business limit** under subsection 125(3.2) to you.
- Use this schedule if you are a corporation that is a member of a partnership to assign **specified partnership business limit** to a **designated member** under subsection 125(8).

Note: If you are a corporation that is not a CCPC, **only** complete Table 1 (columns A1, B1, C1, G1, H1 and J1) and Table 3 to make this assignment.
- The adjusted aggregate investment income, for the purpose of the business limit reduction, also applies to a tax year of a corporation that begins before 2019 and ends after 2018 under the following circumstances:
 - the corporation's preceding tax year was, because of a transaction or event or a series of transactions or events, shorter than it would have been in the absence of that transaction, event or series, and
 - one of the reasons for the transaction, event or series was to defer the application of subsections 125(5.1), (5.2) and (7) to the corporation
- All legislative references are to the Income Tax Act.
- For more information, see **Small Business Deduction** and **Refundable Portion of Part I Tax** in Guide T4012, T2 Corporation – Income Tax Guide.
- See the notes at the end of the form.

Part 1 – Aggregate investment income

Aggregate investment income is all **world** source income.

Eligible portion of taxable capital gains for the year	002	
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	012	
Net capital losses of previous years claimed on line 332 on the T2 return	022	
Subtotal (line 012 plus line 022)		A
		Line 002 minus amount A (if negative, enter "0")
		B
Total income from property (include income from a specified investment business carried on in Canada other than income from a source outside Canada)	032	5,043
Exempt income	042	
Amounts received from AgriInvest Fund No. 2 that were included in computing the corporation's income for the year	052	
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	062	
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	072	
Subtotal (add lines 042, 052, 062 and 072)		C
Subtotal (line 032 minus amount C)		5,043 D
		Amount B plus amount D
		5,043 E
Total losses from property (include losses from a specified investment business carried on in Canada other than a loss from a source outside Canada)	082	
Amount E minus line 082 (if negative, enter "0") (enter on line 440 of the T2 return)	092	5,043

Part 2 – Adjusted aggregate investment income

Eligible portion of taxable capital gains for the year (other than taxable capital gains from the disposition of an active asset ^{note 13})	705		
Eligible portion of allowable capital losses for the year (including allowable business investment losses) (other than allowable capital losses from the disposition of an active asset ^{note 13})	710		
		Subtotal (line 705 minus line 710) (if negative, enter "0")	F
Total income from property ^{note 14}	715	5,043	
Exempt income	720		
Amounts received from AgrilInvest Fund No. 2 that were included in computing the corporation's income for the year	725		
Dividends from connected corporations	730		
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	735		
		Subtotal (add lines 720, 725, 730 and 735)	G
		Subtotal (line 715 minus amount G)	5,043 H
		Amount F plus amount H	5,043 I
Total losses from property ^{note 14}	740		
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year	741		
Adjusted aggregate investment income (amount I minus line 740, plus line 741) (if negative, enter "0")	745	5,043	

If this is your first tax year starting after 2018, complete the following portion.

Eligible portion of taxable capital gains for each tax year that ended in the preceding calendar year (other than taxable capital gains from the disposition of an active asset ^{note 13})			2A
Eligible portion of allowable capital losses for each tax year that ended in the preceding calendar year (including allowable business investment losses)(other than allowable capital losses from the disposition of an active asset ^{note 13})			2B
		Subtotal (amount 2A minus amount 2B) (if negative, enter "0")	2C
Total income from property for each tax year that ended in the preceding calendar year ^{note 14}		15,527	2D
Exempt income for each tax year that ended in the preceding calendar year			2E
Amounts received from AgrilInvest Fund No. 2 that were included in computing the corporation's income for each tax year that ended in the preceding calendar year			2F
Dividends from connected corporations for each tax year that ended in the preceding calendar year			2G
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a) for each tax year that ended in the preceding calendar year			2H
		Subtotal (add amounts 2E, 2F, 2G and 2H)	2I
		Subtotal (amount 2D minus amount 2I)	15,527 2J
		Amount 2C plus amount 2J	15,527 2K
Total losses from property for each tax year that ended in the preceding calendar year ^{note 14}			2L
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for each tax year that ended in the preceding calendar year		742	
Adjusted aggregate investment income (amount 2K minus amount 2L, plus line 742) (if negative, enter "0")		744	15,527
(enter the total of line 744 and the adjusted aggregate investment income of all associated corporations on line 417 of the T2 return)			

Part 3 – Foreign investment income

Foreign investment income is all income from sources **outside Canada**.

Eligible portion of taxable capital gains for the year	.....	001	_____
Eligible portion of allowable capital losses for the year (including allowable business investment losses)	.....	009	_____
	Subtotal (line 001 minus line 009) (if negative, enter "0")		===== J
Total income from property from a source outside Canada (net of related expenses)	.....	019	_____
Exempt income	.....	029	_____
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)	.....	049	_____
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)	.....	059	_____
	Subtotal (add lines 029, 049, and 059)		===== K
	Subtotal (line 019 minus amount K)		===== L
	Amount J plus amount L		===== M
Total losses from property from a source outside Canada	.....	069	_____
Amount M minus line 069 (if negative, enter "0") (enter on line 445 of the T2 return)	.....	079	=====

Part 3A – Canadian and foreign investment income and adjusted aggregate investment income calculation

	A Canadian investment income	B Foreign investment income	C Adjusted aggregate investment income*
Eligible portion of the taxable capital gains for the year before taking into account the capital gains reserves (federal) of Schedule 13*			1.1
Eligible portion of capital gains reserves (addition/deduction)*. **			1.2
Taxable capital gains under section 34.2 (line 275 on Schedule 73)**			1.3
Eligible portion of the taxable capital gains for the year (add amounts 1.1, 1.2, and 1.3)			1
Eligible portion of allowable capital losses for the year (including allowable business investment losses)*			2.1
Net capital losses of previous years (line 332 on the T2 return)			2.2
Allowable capital losses under section 34.2 (line 285 of Schedule 73)**			2.3
Allowable capital losses for the year (add amounts 2.1, 2.2 and 2.3)			2
Amount 1 minus amount 2 (if negative, enter "0")			3
Taxable dividends			4.1
Rental property income (under regulation 1100(11))			4.2
Other property income*	5,043		5,043 4.3
Property income under section 34.2 (line 280 of Schedule 73)**			4.4
Total property income (add amounts 4.1, 4.2, 4.3 and 4.4)	5,043		5,043 4
Exempt income			5.1
Amounts received from AgrilInvest Fund No. 2 that were included in computing the corporation's income for the year			5.2
Taxable dividends deductible (total of column F on Schedule 3 minus related expenses)*			5.3
Business income from an interest in a trust that is considered property income under paragraph 108(5)(a)			5.4
Add amounts 5.1, 5.2, 5.3 and 5.4			5
Amount 4 minus amount 5	5,043		5,043 6
Amount 3 plus amount 6	5,043		5,043 7
Rental property losses (under regulation 1100(11))			8.1
Dividend losses			8.2
Other property losses*			8.3
Property losses under section 34.2 (line 280 of Schedule 73)**			8.4
Total property losses (add amounts 8.1, 8.2, 8.3 and 8.4)			8
Amount 7 minus amount 8 (if negative, enter "0")	5,043		9
Amount, if any, deducted under subsection 91(4) in computing the corporation's income for the year			10
Amount 7 minus amount 8 plus amount 10 (if negative, enter "0")			5,043 11

* To calculate the adjusted aggregate investment income under column C:

- On lines 1.1, 1.2 and 2.1, only capital gains and losses resulting from the disposition of property other than an active asset (as defined under subsection 125(7) ITA) are to be taken into account.
- On line 4.3, include amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts are not included in the calculation of the corporation's investment income in column A and B) as well as the income from a specified foreign investment business.
- On line 5.3, only the dividends received from a connected corporation should be included.
- On line 8.3, include the loss from a specified foreign investment business.

For more information on the calculation of the adjusted aggregate investment income, consult notes 13 and 14 at the end of this form as well as the Help (F1).

** When an amount is entered on these lines in column B, it reduces the corresponding amount in column A. For more information, consult the Help (F1).

Net taxable dividends			Canadian	Foreign	Total
Taxable dividends deducted per Schedule 3					
Less: Expenses related to such dividends	A*				
Total expenses					
Net taxable dividends					

* Column A – Enter an "X" if the expense is related to a dividend received from a connected corporation.

Part 4 – Specified partnership income

Table 1 – Specified partnership income

A		A1	1A
Is the corporation a designated member of the partnership?		Partnership name	Partnership's account number
		200	
Yes	No		

B1	C1	D1	1D	2D	E1	F1
Total income (loss) of partnership from an active business	Corporation's share of amount in column B1	Income of the corporation from providing (directly or indirectly) services or property to the partnership	Prorated amounts calculated under section 34.2 note 1	Expenses the corporation incurred to earn partnership income	Adjustments (column 1D minus column 2D)	Corporation's income (loss) in respect of the partnership note 2 (add columns C1, D1 and E1)
300	310	311			315	320

Total **350**

G1	H1	I1	J1	K1	L1	M1
Number of days in the partnership's fiscal period	Prorated business limit notes 2 and 3 (column C1 + column B1) × [\$ 500 000 × (column G1 + 365)] (if column C1 is negative, enter "0")	Specified partnership business limit assigned to you (from H2 in Table 2) note 5	Specified partnership business limit assigned by you from F3 in Table 3) note 6	Specified partnership business limit amount (column H1 plus column I1 minus column J1)	Column F1 minus column K1 (if negative, enter "0")	Lesser of columns F1 and K1 (if column F1 is negative, enter "0") note 4
325	330	335	336			340

Total **385** **360**

Corporation's losses for the year from an active business carried on in Canada (other than as a member of a partnership) – enter as a positive amount **370**

Specified partnership loss of the corporation for the year – enter as a positive amount (total of all negative amounts in column F1) **380**

Subtotal (line 370 plus line 380) _____ N

Amount at line 385 or amount N, whichever is less **390**

Specified partnership income (line 360 plus line 390) **400**
(enter at amount R in Part 5)

Part 4 – Specified partnership income (continued)

Tables 2 and 3 are used to make an assignment of **specified partnership business limit** under subsection 125(8). A person that is a member of a partnership can make an assignment of **specified partnership business limit** under subsection 125(8) to a **designated member**.

If you are a CCPC that is a designated member and **receiving** specified partnership business limit from a person that is a member of the partnership, complete Table 2.

If you are a corporation that is a member of the partnership and **assigning** specified partnership business limit to a designated member, complete Table 3.

Table 2 – A member is assigning to you specified partnership business limit under subsection 125(8)

A2	2A	B2
Partnership name	Partnership's account number	Name of the member
405		406

C2	D2	E2	F2	G2	H2
Business number of the member (if applicable)	Social insurance number of the member (if applicable)	Trust account number of the member (if applicable)	Tax year start of the member (yyyymmdd)	Tax year-end of the member (yyyymmdd)	Specified partnership business limit assigned to you by the member <small>note 7</small>
410	411	412	415	416	420

Table 3 – You are assigning to a designated member (CCPC) specified partnership business limit under subsection 125(8)

A3	3A	B3
Partnership name	Partnership's account number	Name of the designated member
425		426

C3	D3	E3	F3
Business number of the designated member	Tax year start of the designated member (yyyymmdd)	Tax year-end of the designated member (yyyymmdd)	Specified partnership business limit assigned by you to the designated member <small>note 8</small>
430	435	436	440

Part 5 – Partnership income not eligible for the small business deduction

Corporation's income from active businesses carried on in Canada as a member or designated member of a partnership (after deducting related expenses) – from line 350 in Part 4 (if the net amount is negative, enter "0" on line 450)	_____	O
Specified partnership loss (from line 380 in Part 4)	_____	P
	Subtotal (amount O plus amount P)	_____ Q
Specified partnership income (from line 400 in Part 4)	_____	R
Partnership income not eligible for the small business deduction (amount Q minus amount R)	450 _____	
(enter at amount Z in Part 6)		

Part 6 – Income eligible for the small business deduction

Net income for income tax purposes from line 300 of the T2 return	5,043	S	
Allowable business investment loss from line 406 of Schedule 1		T	
Subtotal (amount S plus amount T)	5,043	▶	5,043 U
Foreign business income after deducting related expenses ^{note 9}	500		
Taxable capital gains from line 113 of Schedule 1		V	
Net property income (line 032 ^{note 10} minus the total of lines 042, 052 and 082 ^{note 9} in Part 1)	5,043	W	
Personal services business income after deducting related expenses ^{note 9}		e1	
Other income after deducting related expenses ^{note 9}		e2	
Subtotal (amount e1 plus amount e2) ^{note 9}	520	▶	
Subtotal (add line 500, amount V, amount W and line 520)	5,043	▶	5,043 X
Net amount (amount U minus amount X)			Y
Partnership income not eligible for the small business deduction (line 450 in Part 5)		Z	
Partnership income allocated to your corporation under subsection 96(1.1)	530		
Income referred to in clause 125(1)(a)(i)(C)	540		
Income referred to in clause 125(1)(a)(i)(B) (from line 615 in Part 7)		AA	
Subtotal (add amount Z, line 530, line 540 and amount AA)		▶	BB
Specified corporate income (from line 625 in Part 7)			CC
Income eligible for the small business deduction (amount Y minus amount BB, plus amount CC)			DD
(enter amount DD on line 400 of the T2 return - if negative, enter "0")			

Part 7 – Specified corporate income and assignment under subsection 125(3.2)

	1EE Name of the corporation	EE Business number of the corporation	FF Income described under clause 125(1)(a)(i)(B) received from the corporation identified in column EE ^{note 11}	GG Business limit assigned from the corporation identified in column EE ^{note 12}
1		600	610	620
			Total 615	Total 625

See the privacy statement on your return.

Notes

Note 1 Do **not** include expenses that were deducted in computing the income of the corporation in column D1.

In general, amounts included under subsections 34.2(2) and 34.2(3) or claimed under subsection 34.2(4) are deemed to have the **same character** and be in the **same proportions** as the partnership income they relate to. For example, if a corporation receives \$100,000 of partnership income for the partnership's fiscal period ending in its tax year, and that income is made up of \$40,000 of active business income, \$30,000 of income from property, and \$30,000 as a taxable capital gain, the corporation's adjusted stub period accrual (ASPA) in respect of the partnership would be 40% active business income, 30% property income, and 30% taxable capital gains. Add or deduct only the portion of the following amounts that are characterized as **active business income** in accordance with subsection 34.2(5):

Add:

- the ASPA under subsection 34.2(2) (column 4 of Schedule 73)
- the income inclusion for a new corporate member of a partnership under subsection 34.2(3) (column 6 of Schedule 73)
- the previous-year transitional reserve under subsection 34.2(12) (column 12 of Schedule 73)

Deduct:

- the previous-year ASPA under subsection 34.2(4) (column 5 of Schedule 73)
- the previous-year income inclusion for a new corporate member of a partnership under subsection 34.2(4) (column 7 of Schedule 73)

Note 2 When a partnership carries on more than one business, one of which generates income and another of which realizes a loss, the loss is **not** netted against the partnership's income when calculating the prorated business limit (column H1). Enter on line 380 the total of all losses from column F1.

Note 3 If you are a **designated member** of the partnership, enter "0".

Note 4 You must enter "0" if the partnership provides services or property to either:

(A) a private corporation (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
 - persons (other than the private corporation) that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
 - partnerships with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest, or

(B) a particular partnership (directly or indirectly in any manner whatever) in the year, if:

- you (or one of your shareholders) do **not** deal at arm's length with the particular partnership or a person that holds a direct or indirect interest in the particular partnership, and
- it is not the case that all or substantially all of the partnership's income for the year from an active business is from providing services or property to
 - persons that deal at arm's length with the partnership and each person that holds a direct or indirect interest in the partnership, or
 - partnerships (other than the particular partnership) with which the partnership deals at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Note 5 If you are a CCPC that is a **designated member** receiving an assignment of **specified partnership business limit**, complete Table 2 to determine the amounts to enter in Table 1 column I1.

Note 6 If you are a corporation that is a **member** of the partnership and you are assigning **specified partnership business limit**, complete Table 3 to determine the amounts to enter in Table 1 column J1.

Note 7 Add the amounts in column H2 that are for the same partnership and enter it in Table 1 column I1, in the row of the applicable partnership.

Note 8 Add the amounts in column F3 that are for the same partnership and enter it in Table 1 column J1, in the row of the applicable partnership. This amount **cannot** be higher than the amount of prorated business limit you would otherwise be entitled to in Table 1 column H1 for that partnership.

Note 9 If negative, enter amount in brackets, and **add** instead of subtracting.

Note 10 Net of related expenses.

Note 11 This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts, each of which is your income from an active business for the year from providing services or property to a private corporation (directly or indirectly, in any manner whatever) if

(A) at any time in the year, you (or one of your shareholders) or a person that does **not** deal at arm's length with you (or one of your shareholders) holds a direct or indirect interest in the private corporation, and

(B) it is not the case that all or substantially all of your income for the year from an active business is from providing services or property to

(I) persons (other than the private corporation) with which you deal at arm's length, or

(II) partnerships with which you deal at arm's length, other than a partnership in which a person that does **not** deal at arm's length with you holds a direct or indirect interest.

Do **not** include specified farming or fishing income. If the conditions described in subsection 125(10) are met, do not include income from an associated corporation.

Note 12 The amount of business limit that a CCPC can assign to you cannot be greater than the amount in column FF that is from providing services or property **directly** to that CCPC. If there is an amount included in column FF that is deductible by that CCPC in respect of the amount of its income referred to in clause 125(1)(a)(i)(A) or (B) for its tax year, you need to deduct it from column FF for the purpose of determining the amount that can be assigned to you.

Notes (continued)

Note 13 Active asset, of a particular corporation at any time, means property that is:

- (A) used at that time principally in an active business carried on primarily in Canada by the particular corporation or by a Canadian-controlled private corporation that is related to the particular corporation,
- (B) a share of the capital stock of another corporation if, at that time,
 - the other corporation is connected with the particular corporation (within the meaning assigned by subsection 186(4) on the assumption that the other corporation is at that time a payer corporation within the meaning of that subsection), and
 - the share would be a qualified small business corporation share (as defined in subsection 110.6(1)) if:
 - the references in that definition to an "individual" were references to the particular corporation, and
 - that definition were read without reference to "the individual's spouse or common-law partner", or
- (C) an interest in a partnership, if:
 - at that time, the fair market value of the particular corporation's interest in the partnership is equal to or greater than 10% of the total fair market value of all interests in the partnership,
 - throughout the 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B), and
 - at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in this paragraph or in paragraph (A) or (B).

Note 14 Income or loss from property of a particular corporation, for the purposes of calculating the corporation's adjusted aggregate investment income, includes income or loss from a specified investment business, as well as all amounts in respect of a life insurance policy that are included in computing the corporation's income for the year (even if those amounts were not included in the computation of the corporation's aggregate investment income in Part 1).

Capital Cost Allowance (CCA)

Corporation's name Generation Construction Corp.	Business number 86455 2419 RC0001	Tax year-end Year Month Day 2020-07-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
		201	203	225	205	221	222	207	211
1. 8		2,665						0	
2. 16		6,476						0	
Totals		9,141							

1 Class number * See note 1	Description	9 UCC (column 2 plus column 3 plus or minus column 5) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
		200				224	212	213	215	217	220
1. 8		2,665					20	0	0	533	2,132
2. 16		6,476					40	0	0	2,590	3,886
Totals		9,141								3,123	6,018

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation Generation Construction Corp.	Business Number 86455 2419 RC0001	Tax year end Year Month Day 2020-07-31
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- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name 100	Country of residence (other than Canada) 200	Business number (see note 1) 300	Relationship code (see note 2) 400	Number of common shares you own 500	% of common shares you own 550	Number of preferred shares you own 600	% of preferred shares you own 650	Book value of capital stock 700
1.	The Generation Corporation		81513 1735 RC0001	3					
2.	Ellis Fabrications Inc		87989 7312 RC0001	1					
3.	Generation Steel Inc.		80785 5770 RC0001	3					
4.	Groundworks Safety Systems Inc.		80561 3726 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area) **025** Year Month Day

Enter the calendar year the agreement applies to **050** Year
2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** Yes No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Generation Construction Corp.	86455 2419 RC0001	1	500,000	0.5000	2,500
2	The Generation Corporation	81513 1735 RC0001	1	500,000	1.0000	5,000
3	Ellis Fabrications Inc	87989 7312 RC0001	1	500,000	49.0000	245,000
4	Generation Steel Inc.	80785 5770 RC0001	1	500,000	0.5000	2,500
5	Groundworks Safety Systems Inc.	80561 3726 RC0001	1	500,000	49.0000	245,000
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula $0.225\% \times (C - \$10,000,000)$. Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

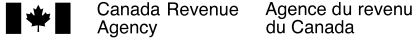
Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Shareholder Information

Corporation's name Generation Construction Corp.	Business number 86455 2419 RC0001	Tax year-end Year Month Day 2020-07-31
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	Ellis Fabrications Inc.	87989 7312 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



Information Return for Corporations Filing Electronically

- You have to complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed to the Canada Revenue Agency (CRA) on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the *Income Tax Act*, you have to keep all records used to prepare your corporation income tax return, and provide this information to us on request.
- Part 4 must be completed by either you or the electronic transmitter of your corporation income tax return.
- Give the signed original of this return to the transmitter and keep a copy in your own records for six years.
- **Do not submit** this form to the CRA unless we ask for it.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted it.

Part 1 – Identification

Corporation's name Generation Construction Corp.			Business number 86455 2419 RC0001		
Tax year ▶	From Y M D 2019-08-01	To Y M D 2020-07-31	Is this an amended return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Part 2 – Declaration

Enter the following amounts, if applicable, from your corporation income tax return for the tax year noted above:

Net income (or loss) for income tax purposes from Schedule 1, financial statements, or GIFI (line 300)	5,043
Part I tax payable (line 700)	1,950
Part II surtax payable (line 708)	
Part III.1 tax payable (line 710)	
Part IV tax payable (line 712)	
Part IV.1 tax payable (line 716)	
Part VI tax payable (line 720)	
Part VI.1 tax payable (line 724)	
Part XIV tax payable (line 728)	
Net provincial and territorial tax payable (line 760)	

Part 3 – Certification and authorization

Sign up for online mail!

Get your CRA mail electronically delivered in My Business Account at cra.gc.ca/mybusinessaccount

I understand that by providing an email address, I am **registering** the corporation for the 'Manage online mail' service. I understand and agree that all notices and other correspondence eligible for electronic delivery will no longer be printed and mailed. The CRA will notify the corporation at this email address when they are available in My Business Account and requiring immediate attention. They will be presumed to have been received on the date that the email is sent.

Email address for online mail (optional): _____

I, Foley Last name James First name Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the corporation T2 income tax return, including accompanying schedules and statements, and that the information given on the T2 return and this T183 Corp information return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

I authorize the transmitter identified in Part 4 to electronically file the corporation income tax return identified in Part 1. The transmitter can also modify the information originally filed in response to any errors Canada Revenue Agency identifies. This authorization expires when the Minister of National Revenue accepts the electronic return as filed.

2020-10-30 Date (yyyy/mm/dd) Signature of an authorized signing officer of the corporation (403) 227-1001 Telephone number

Part 4 – Transmitter identification

The following transmitter has electronically filed the tax return of the corporation identified in Part 1.

<u>RSM Alberta LLP</u> Name of person or firm	<u>S7047</u> Electronic filer number
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Privacy statement

Personal information is collected under the *Income Tax Act* to administer tax, benefits, and related programs. It may also be used for any purpose related to the administration or enforcement of the Act such as audit, compliance and the payment of debts owed to the Crown. It may be shared or verified with other federal, provincial/territorial government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the *Privacy Act*, individuals have the right to access their personal information and request correction if there are errors or omissions. Refer to Info Source cra.gc.ca/gncy/tp/nfsrc/nfsrc-eng.html, personal information bank CRA PPU 047.



ALBERTA CORPORATE INCOME TAX RETURN – AT1
The Alberta Corporate Tax Act

For corporations with taxation years ending in 2004 and subsequent. If the corporation has no taxable income to report both federally and for Alberta purposes, please refer to form AT100 to determine if the corporation is exempt from filing. Otherwise, the AT1 and applicable schedules must be received by Tax and Revenue Administration (TRA) within 6 months of the corporation's taxation year end. Mail, fax, courier or hand deliver to: TAX AND REVENUE ADMINISTRATION, 9811 109 ST, EDMONTON AB T5K 2L5. Fax: 780-427-0348.

For Department Use		005 <input type="checkbox"/>
001 <input type="checkbox"/>		01RT
004 <input type="checkbox"/>		

010 Legal Name of Corporation <input type="checkbox"/> Generation Construction Corp.	Alberta Corporate Account Number (CAN) (Enter the 9 or 10 digit account number) 034 <input type="checkbox"/> 209468305
011 Operating Name of Corporation <input type="checkbox"/>	Federal Business Number (BN) 035 <input type="checkbox"/> 86455 2419 RC0001
012 Mailing Address of Business <input type="checkbox"/> 4207 53 STREET CLOSE	Taxation Year Beginning 036 <input type="checkbox"/> 2019-08-01
013 <input type="checkbox"/>	Taxation Year Ending 037 <input type="checkbox"/> 2020-07-31
014 City/Town <input type="checkbox"/> INNISFAIL	Has the taxation year end changed since the last return was filed? 038 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
015 Prov./ State | 016 Country Code (other than Canada) | 017 Postal or Zip Code | T4G 1P9	If "Yes", specify the reason: 039 <input type="checkbox"/> 1 Canada Revenue Agency (CRA) approved tax year end change <input type="checkbox"/> 2 Change in control <input type="checkbox"/> 3 Final return
If the assessment notice and assessment correspondence are to be sent to an address other than that above, provide that address: 018 Name <input type="checkbox"/> 019 Address <input type="checkbox"/> 020 <input type="checkbox"/> 021 City/Town <input type="checkbox"/>	State the functional currency used, if other than Canadian: 041 <input type="checkbox"/> 1 United States of America <input type="checkbox"/> 2 United Kingdom <input type="checkbox"/> 3 European Monetary Union <input type="checkbox"/> 4 Australia
022 Prov./ State | 023 Country Code (other than Canada) | 024 Postal or Zip Code	If field 041 is checked, provide average exchange rate for calculation: (functional currency converting to Canadian currency) 043 <input type="checkbox"/>
025 Name of the person to contact to discuss this return <input type="checkbox"/> James Foley Telephone number: 026 Area Code <input type="checkbox"/> (403) 227-1001 Fax number: 027 Area Code <input type="checkbox"/>	Gross Revenue (To nearest thousand) 047 <input type="checkbox"/> 27,840
Nature of Business 028 SIC Code Other Services n.e.c. <input type="checkbox"/> 9999	Total Assets (Book value per balance sheet, to nearest thousand) 048 <input type="checkbox"/> 3,367,818
Type of Corporation 029 <input checked="" type="checkbox"/> 1 Canadian-controlled private corporation throughout the year (excluding Alberta professional) <input type="checkbox"/> 2 Alberta Professional <input type="checkbox"/> 3 Other private <input type="checkbox"/> 4 Public <input type="checkbox"/> 5 Other, specify: _____	Is this a final return? 050 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> If "Yes", specify the reason: 051 <input type="checkbox"/> 1 Amalgamation, specify date of amalgamation: YYYY MM DD 052 <input type="checkbox"/> 2 Discontinuance of permanent establishment in Alberta <input type="checkbox"/> 3 Bankruptcy <input type="checkbox"/> 4 Wind-up into parent <input type="checkbox"/> 5 Dissolution of corporation, specify date operations ceased: YYYY MM DD 053 <input type="checkbox"/>
Special Corporation Status (if applicable) 030 <input type="checkbox"/> 1 Investment Corporation <input type="checkbox"/> 2 Mutual Fund Corporation <input type="checkbox"/> 3 Co-operative <input type="checkbox"/> 4 Credit Union <input type="checkbox"/> 5 Corporations exempt under the federal ITA section 149	Was there a transfer of property under federal ITA subsection 85(1), 85(2) or 97(2) that occurred after May 30, 2001, and during the taxation year being reported? 054 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Has there been a wind-up of a subsidiary under federal Income Tax Act (ITA) section 88 during the current taxation year? 031 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the first year of filing after an amalgamation? 032 <input type="checkbox"/> 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	

Report all monetary amounts in dollars; DO NOT include cents.

CAN: 209468305

Taxation Year Ending: 2020-07-31

Taxable Income: The calculation of taxable income for federal purposes can differ from the calculation for Alberta purposes if the corporation chooses to use different discretionary deduction amounts (e.g., different application of losses, CCA, charitable donation, etc.).

Is the corporation reporting different taxable income for Alberta and federal purposes?

Has the corporation elected to use any different discretionary amounts for the current year claim or do opening balances differ for federal and Alberta purposes?

060	Yes	No
		X
061	Yes	No
		X

If line 060 and/or 061 is "Yes", then schedule 12 and supporting schedules MUST be completed to reconcile federal and Alberta taxable income.

Alberta taxable income or (loss)

If both lines 060 and 061 are "No", then line 062 must equal federal T2, lines 360 - 370

OR, if reporting a loss, enter the amount from federal Schedule 4 lines 110 + 310

If either line 060 or 061 is "Yes", enter the amount from Schedule 12, lines 090 - 092

(If line 062 is negative, complete Schedule 10 to request a loss carry-back, if applicable)

Deduct: Royalty Tax Deduction (Schedule 5, line 021)

Alberta Allocation Factor (Schedule 2, column I)

Amount Taxable in Alberta (line 062 - line 064) X line 065 * (if negative, enter "0")

(* if the corporation has permanent establishments only in Alberta, multiply by "1")

062		5,043
064		
065		1.000000
066		5,043
068		517

Basic Alberta Tax Payable:

10.249 % of amount on Line 066

Alberta Small Business Deduction

Schedule 1, line 031

Alberta Manufacturing and Processing Profits

Deduction Schedule 11, line 023

Alberta Foreign Investment Income Tax Credit

Schedule 4, line 020

Alberta Political Contributions Tax Credit

Schedule 8, line 030

Alberta Other Tax Deductions and Credits

Schedule 3, line 604

Other Deductions: (specify and attach

the appropriate schedules)

Total (lines 76a + 76b)

Total (lines 070 + 071 + 072 + 074 + 076)

070	
071	
072	
074	
76a	
76b	
076	

079	
080	517

Alberta Tax Payable (lines 068 - line 079)

Alberta Scientific Research & Experimental Development Tax

Credit, Schedule 9, line 120

Instalments, other payments and ARTC instalments credited to

income tax account for this taxation year

Interactive Digital Media Tax Credit (IDMTC)

Tax Certificate Number

(issued at time of IDMTC approval)

110

Alberta Capital Gains Refund (available only to mutual fund

corporations and public investment corporations)

Other Credits: (specify and attach the appropriate schedule(s))

081	
082	
085	
086	
087	

Total (lines 081 + 082 + 085 + 086 + 087)

088	
090	517

Balance Unpaid (Overpayment) (line 080 - line 088)

(An assessed balance, including interest and penalty charges, of less than \$20.00 will be neither charged nor refunded.)

If line 090 is a balance due (i.e. positive amount), indicate the amount enclosed with the return

Make cheque payable to Government of Alberta

If line 090 is an overpayment (i.e. negative amount), indicate the desired disposition:

Refund = 1; Apply to payments for the next taxation year = 2

If you would like your Notice of Assessment provided to you by fax

rather than by mail, please specify your complete fax number

093 Area Code

CERTIFICATION

I, **097** Foley, **098** James, **099** Director, am an authorized signing officer of the corporation. I certify that this return, including accompanying schedules and statements, has been examined by me and is a true, correct and complete return. I further certify that the method of computing income for this taxation year is consistent with that of the previous taxation year except as specifically disclosed in a statement to this return.

Signature of the authorized signing officer

2020-10-30
Date (YYYY MM DD)

CONSENT TO EFILE GST RETURNS

Calculated cells
Fillable cells

TO: RSM Alberta LLP
Chartered Professional Accountants

Date: October 30, 2020

Company Name: Generation Construction Corporation

Access Code:

I authorize RSM Alberta LLP to electronically file my/our GST return for the period(s) below
The transmitter can also modify the information originally filed in response to any error Canada Revenue Agency identifies.

Signature

Business Number: 864552419 RT 0001

Select a return:

- Goods and Services Tax/Harmonized Sales Tax (GST/HST) Return for Registrants (GST34)
- Information on Claims Paid or Credited for Foreign Conventions and Tour Packages (GST106)
- Goods and Services Tax/Harmonized Sales Tax (GST/HST) and Québec Sales Tax (QST) Return for Selected Listed Financial Institutions (RC7200)

Reporting Period

From (YYYY MM DD)

2019 | 08 | 01

To (YYYY MM DD)

2020 | 07 | 31

Select the rebate applications you want to file with your return:

- Ontario First Nations point-of-sale relief (GST189)
- GST/HST Public Service Bodies' rebate (GST284)
- GST/HST new housing rebate application for houses purchased from a builder (GST190)

Select the schedules you want to file with your return:

- Schedule A - Transitional housing information for builders
- Schedule B - Calculation of recaptured input tax credits for the provincial portion of the HST on specified property or services
- Schedule C - Reconciliation of recaptured input tax credits (if checked off fill out the box below)
Fiscal year end of the period to be reconciled (YYYY MM DD)
- Form GST106, Information on claims paid or credited for foreign conventions and tour packages

Select the following if they apply:

- I want to report one or more of the following types of sales on my return:
Exempt supplies, zero-rated exports, goodwill, financial services, sales of capital real property, and supplies made outside of Canada
Taxable sales of my associates (including zero-rated supplies) made in Canada
Reporting these sales will help us to properly calculate your reporting period threshold amount.

Taxable Sales (including zero-rated supplies) made in Canada	90	27,840.00
Exempt supplies, zero-rated exports, and other sales and revenue	91	
Total sales and other revenue (line 90 + line 91)	101	27,840.00
Your associates' taxable sales (including zero-rated supplies) made in Canada	102	
Total GST/HST new housing rebates (included in line 108)	135	
Deduction for pension rebate amount (included in line 108)	136	
Net tax calculation		
Total GST/HST and adjustments for period	105	
Total ITCs and adjustments	108	12.83
Net tax	109	(12.83)
Other credits, if applicable		
Instalments and other annual filer payments	110	
Rebates (note: rebate forms must be mailed separately)	111	
Other debits, if applicable		
GST/HST due on acquisition of taxable real property	205	
Other GST/HST to be self-assessed	405	
Refund claimed	114	12.83
Amount owing	115	-

GENERATION CONSTRUCTION CORP.



Notice to Reader and Financial Statements
July 31, 2020



RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Generation Construction Corp. as at July 31, 2020 and the statement of income and retained earnings for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Red Deer County, Alberta

October 23, 2020

RSM ALBERTA LLP

Chartered Professional Accountants

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GENERATION CONSTRUCTION CORP.

Balance Sheet

As at July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
ASSETS		
Current assets		
Cash	\$ 36	\$ 195
Goods and Services Tax receivable	<u>-</u>	<u>104</u>
	36	299
Property, plant and equipment (note 1)	<u>3,367,782</u>	<u>3,209,347</u>
	<u>\$ 3,367,818</u>	<u>\$ 3,209,646</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 6,800	\$ 3,800
Income taxes payable	4,500	2,000
Interest payable on long-term debt	72,570	-
Current portion of long-term debt	<u>136,626</u>	<u>136,626</u>
	220,496	142,426
Long-term debt	1,928,639	1,992,469
Due to Ellis Fabrications Inc.	<u>1,168,207</u>	<u>1,029,941</u>
	<u>3,317,342</u>	<u>3,164,836</u>
SHAREHOLDER'S EQUITY		
Share capital	100	100
Retained earnings	<u>50,376</u>	<u>44,710</u>
	<u>50,476</u>	<u>44,810</u>
	<u>\$ 3,367,818</u>	<u>\$ 3,209,646</u>

GENERATION CONSTRUCTION CORP.

Statement of Income and Retained Earnings

Year ended July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
Revenue	<u>\$ 27,840</u>	<u>\$ 27,840</u>
Expenses		
Interest on long-term debt	16,352	12,313
Professional fees	3,307	1,930
Interest and bank charges	15	53
Insurance	-	950
Office	-	191
	<u>19,674</u>	<u>15,437</u>
Income before income taxes	8,166	12,403
Income taxes	<u>2,500</u>	<u>2,000</u>
Net income	5,666	10,403
Retained earnings, beginning of year	<u>44,710</u>	<u>34,307</u>
Retained earnings, end of year	<u><u>\$ 50,376</u></u>	<u><u>\$ 44,710</u></u>

GENERATION CONSTRUCTION CORP.

Note to the Financial Statements

July 31, 2020

(Unaudited - see Notice to Reader)

1. Property, Plant and Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net</u>	<u>2019 Net</u>
Land	\$ 3,312,604	\$ -	\$ 3,312,604	\$ 3,154,169
Equipment	<u>55,178</u>	<u>-</u>	<u>55,178</u>	<u>55,178</u>
	<u>\$ 3,367,782</u>	<u>\$ -</u>	<u>\$ 3,367,782</u>	<u>\$ 3,209,347</u>



RSM Alberta LLP

546 Laura Ave

Red Deer County, AB T4E 0A5

T +1 403 342 5541

F +1 403 347 3766

October 29, 2020

PRIVATE AND CONFIDENTIAL

Writer's Direct Line: (403) 350-2258

Generation Steel Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

ATTENTION: James Foley

Dear James:

We have completed the preparation of the financial statements of Generation Steel Inc. for the fiscal year ended July 31, 2020. An electronic copy of the financial statements is enclosed. Please advise us if you require additional copies.

We have also completed the required federal and provincial tax returns of Generation Steel Inc. for the taxation year ended July 31, 2020. An electronic copy of each tax return is provided.

When you have reviewed the statements and returns and satisfied yourself as to their completeness, you should ensure they are signed, dated and filed with the taxation authorities. Attached to your copy of the tax returns, marked "Client's Copy", is a schedule of filing instructions and other information for your use.

Please be advised that there are no Provincial or Federal taxes payable and because of this, no instalments are required by Canada Revenue Agency.

We also enclose an electronic copy of the adjusting entries and trial balance prepared by us to complete your accounting records. The entries should be posted to your general ledger and retained as part of your accounting records.

Please adjust the balances on your next GST return to reflect the following change:
an increase to GST collected by \$1,214.28.

An engagement letter for our services is enclosed and is required for our files. Please review the contents and return the signed original to us. An electronic copy is provided for your records.

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We also enclose an electronic copy of the adjusting entries and trial balance prepared by us to complete your accounting records. The entries should be posted to your general ledger and retained as part of your accounting records.

If you have any questions or comments with respect to any of the above, please let us know.

Yours very truly,

RSM ALBERTA LLP

Marsha L. Smalle , B.Comm., CPA, CA
Partne

MLS:rs

Encl.



October 29, 2020

James Foley
Generation Steel Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

RSM Alberta LLP

546 Laura Avenue
Red Deer County, AB T4E 0A5

O +1 403.342.5541

F +1 403.342.5542

rsmcanada.com

Dear James:

We are pleased that you have chosen to engage RSM Alberta LLP (we, our or us) to provide certain tax services to Generation Steel Inc. and any affiliated persons described in Section 1 below (collectively referred to as you or your). We believe it is important for you to have an understanding of the nature and scope of our tax services so that our services can meet or exceed your expectations. Please take the time to review this Engagement Letter and the related items described below.

This Engagement Letter sets forth the general terms, conditions and limitations governing our client relationship. The Standards of Services described in Section 2 below set forth general standards, terms, conditions and limitations applicable to the scope and nature of the tax services we will provide to you. Each individual project involving our tax services will be described in a Statement of Work as described in Section 3 below. Taken together, the Engagement Letter, the Standards of Services and the Statement(s) of Work will constitute your and our mutual agreement concerning the tax services that we will provide to you.

After you have had an opportunity to review this Engagement Letter and the attached Standards of Services, please sign a copy of this Engagement Letter where indicated below and return the signed letter to us. Please note that handwritten changes to this Engagement Letter, to the Standards of Services or to any Statement of Work will have no legal effect. If you have any questions, please call your RSM engagement partner or team member.

1. Clients for Purposes of this Engagement Letter.

For the purposes of this Engagement Letter and the Standards of Services, our clients will be and the term “you” will refer to: Generation Steel Inc. and any corporations, partnerships, or other business entities that are directly or indirectly owned, controlled or managed by Generation Steel Inc. and which are named or identified in one or more Statements of Work. Our client(s) with respect to any individual Statement of Work will be those entities described in the preceding sentence that are expressly named or clearly described in that Statement of Work. Neither this Engagement Letter, the Standards of Services nor any Statement of Work will create any client relationship between us and (i) any natural person or (ii) any entity other than those described in the two preceding sentences.

2. Standards for Tax Services. (a) Attached to this Engagement Letter is a copy of the “Standards of Services in Tax Matters for Business Taxpayers” (the Standards of Services). These Standards of Services

describe certain customary practices that we will employ in delivering tax services to you. These standards are based in part on the requirements of applicable law and professional standards, and we have found that they allow us to provide our services in a cost effective manner that meets our clients’ expectations in most tax engagements.

(b) We will be happy to consider expanding or modifying the scope of our services beyond those described in the Standards of Services, but any expansion or modification must be consistent with applicable laws and professional standards and must be clearly set forth in a Statement of Work. Therefore, except as provided in Section 3(b), the Standards of Services will apply to the performance of our services relating to tax return preparation, tax advice, planning and consultation, representation in any audit, administrative appeal or other tax controversy matter, accounting for income taxes, preparation of foreign information returns, or any other Federal, Provincial, or foreign tax matter.

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000675

(c) We may supplement or revise the Standards of Services from time to time, in which case we will provide you with a copy of the supplemented or revised Standards of Services in electronic or paper format. The supplemented or revised Standards of Services will apply to all services under any Statement of Work entered into on or after the date on which we deliver supplemented or revised Standards of Services to you.

3. Statements of Work. (a) All tax services to be performed by us and the determination of the amount of our fees relating to those services must be described in a Statement of Work. Each Statement of Work will (i) provide details on the nature of the work and any expected deliverable and (ii) provide the basis for determining the amount of our fees and the time for invoicing and payment of our fees. Subject to Section 3(b), each Statement of Work will be subject to this Engagement Letter and the Standards of Services. Our services will be limited to the services specifically described in that Statement of Work. Our agreement to perform services under any particular Statement of Work does not obligate us to perform any other services under any other Statement of Work.

(b) A Statement of Work may modify any provision of this Engagement Letter, but only if that Statement of Work is signed by both you and us. A Statement of Work may modify the Standards of Services, but only if that Statement of Work is signed by both you and us. Any modification of the terms of this Engagement Letter or of the Standards of Services must be clearly and unambiguously expressed in the Statement of Work. Any modifications contained in a Statement of Work will apply only to that particular Statement of Work.

(c) We may provide you with a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted the Statement of Work unless you notify us in writing of any objections within 15 business days following your receipt of the Statement of Work.

(d) A Statement of Work may be amended or superseded, in which case we will provide you with an amendment to or a restatement of a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted amendment or restatement unless you notify us in writing of any objections within 15 business days following your receipt of the amendment or restatement.

(e) A Statement of Work will be deemed to have been completed upon the earliest of (i) our mutual agreement that the Statement of Work has been completed, (ii) 90 days following the completion of services and delivery to you of all deliverables described in that Statement of Work or (iii) the passing of 365 consecutive days during which we perform no services with respect to that Statement of Work.

4. Your Responsibilities. (a) In order for us to provide effective services, you must cooperate with us and provide us with any information that we request at the times and in the format that we request. You must cause your employees and contractors to cooperate fully and timely with us. You must designate for us a person authorized to make or obtain all management decisions with respect to our services on a timely basis. We will rely in good faith on all information and management decisions communicated to us by you, your employees or your contractors, and we will not be responsible for any loss or other obligation arising from that reliance. Any failure to fulfill your responsibilities may adversely affect our ability to provide our tax services and will be grounds for our suspending or terminating our services.

(b) If you do not respond to a request from us for information by the date specified in the Statement of Work or in our request for information, or if you provide us with incomplete information, we may use alternative procedures to obtain information necessary for us to provide you with the tax services in accordance with the applicable Statement of Work. However, if we use alternative procedures due to your failure to timely and completely respond to a request, then we will not be responsible for any error or omission that could have been avoided had you timely and completely responded to our request for information. In addition, if you do not timely respond to a request for information or if you provide us with incomplete information, our fees for services may be higher than as set forth in the applicable Statement of Work.

5. Requests for Services. In responding to requests for services made by your officers, managers, employees or agents, we will presume that all requests have been authorized by your internal procedures. If you wish to limit the individuals who can request services, you must notify us of any limitations in writing.

6. Fee Arrangements. Except to the extent provided by a particular Statement of Work, our fees will be based on the time required for work performed, the complexity of any technical issues addressed, the need to confirm information or to perform accounting

work as a precondition to our services, the impact of deadlines and any delays in receiving necessary information from you or from third parties. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns.

7. Billing and Payment; Suspension of Services.

(a) Except to the extent provided by a particular Statement of Work, our fees and expenses will be billed on a regular basis. If we are entitled to bill you for certain direct expenses and at the time of our invoice to you we have not received a third party bill for any such expenses, then we may at our option (i) include a reasonable, good faith estimate of the amount of those expenses on our invoice or (ii) send one or more separate invoices for those expenses following our receipt of the third party bill. Each invoice is payable upon receipt of the invoice. If you believe that any invoice is incorrect or if you wish to dispute any invoice, you must notify us in writing within 60 days of your receipt of the invoice. We reserve the right to charge interest on the undisputed portion of any invoice that is not paid within 60 days of your receipt of that invoice.

(b) If you fail to pay any invoice when due, we reserve the right (if permitted by applicable law and professional standards) to withhold any tax return, Tax Advice, other deliverable, document or file until your account is paid in full or you have made other payment arrangements satisfactory to us. In addition, if you fail to pay any invoice when due we reserve the right to suspend performance of our services until your account is paid in full or you have made other payment arrangements satisfactory to us. Our suspension of services will not affect your obligations to us under this Engagement Letter, the Standards of Services or any Statement of Work.

8. Confidentiality. (a) We will maintain the confidentiality of your Confidential Information, subject to the provisions of this section. Except as provided in the following sentence, "Confidential Information" means (i) information contained in your internal financial and business records, (ii) information reported on your tax returns, (iii) Personal Information as defined in Section 8(b) and (iv) other information concerning you or your business that is marked "confidential" or otherwise identified as "confidential" in

writing at the time of disclosure. Confidential Information does not include information (x) that is or becomes publicly available or generally known to persons in your industry without breach of our obligations under this section or (y) received by us after the termination of this Engagement Letter.

(b) Personal Information is data about an identifiable individual where there is a serious possibility that an individual could be identified through the use of that information, alone or in combination with other information, including, but not limited to, information such as social insurance numbers, driver's license numbers or provincially-issued identification card numbers, health information, and other personal information as defined by applicable laws.

(c) To protect your Confidential Information, you agree that you will not disclose any Confidential Information to us except as we request or as necessary for us to provide our services. Additionally, you agree that you will not (i) transmit to us, in any manner, Personal Information that is not necessary for us to provide our services or (ii) transmit to us Personal Information in an unencrypted format or via an unencrypted means. Notwithstanding the foregoing, in the event you transmit to us Personal Information in an unencrypted format or via an unencrypted means, we will accept the information required for us to provide our services and we will have no obligation to notify you. We will use commercially reasonable precautions to protect your Confidential Information, including appropriate technical, administrative, and organizational safeguards but we will have no obligation to employ any measures that are more restrictive than you regularly employ. (d) You agree that you will provide all notices and obtain any consents required under applicable laws prior to your collection, use and disclosure to us of any Personal Information, and you will take reasonable steps to ensure that any Personal Information that you provide to us does not include irrelevant or unnecessary information about any individuals.

(d) We may disclose your Confidential Information to our partners, principals, employees and third party contractors as necessary to provide our services, including without limitation the disclosures authorized by Section 15. Without limiting the foregoing, we may in certain circumstances disclose your Confidential Information to software vendors for the purpose of obtaining technical support in the course of providing services to you, but it is our policy to require these vendors to maintain the confidentiality of Confidential Information disclosed to them. We may also disclose Confidential Information if required by a court or

governmental agency, but we will use commercially reasonable efforts to inform you prior to disclosure to the extent permitted by law.

(e) We will use Personal Information provided by you, (if any) only for the purposes described in this Engagement Letter or any Statement of Work. As part of the performance of services for you under this Engagement Letter and as part of our direct business relationship with you, we may use Confidential Information to enhance our services, conduct data analytics, conduct market or other similar analysis, or for other similar business purposes. In addition, we may use your Confidential Information provided to us for the purpose of creating benchmarking data to be used by our professionals and shared with other clients. Any such benchmarking data will be in a format that users are unable to associate the information with any specific source. Additionally, in performing any services under a Statement of Work, we may arrange for one or more RSM Network Firms or third party contractors to provide services to you. In the event our services involve Personal Information collected in Canada, we, our third party contractors or RSM Network Firms performing the services may store, transfer and process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to ensure that appropriate protections are in place to require third party contractors and RSM Network Firms to maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

9. Data Protection Compliance; Third Party Products. (a) RSM's Privacy Policy (the Privacy Policy) is located on RSM's website at <https://rsmCanada.com/who-we-are/privacy-policy.html>. The Privacy Policy may be amended or terminated from time to time in our sole discretion and without prior notice. You acknowledge that you have read and understand the Privacy Policy and agree to the practices as described therein.

(b) You agree that prior to disclosure of the following Confidential Information to us, including without limitation Personal Information, you will identify any personal, technical or other data provided to us pursuant to this Engagement Letter that may be

subject to heightened protections under applicable privacy, cybersecurity or data protection laws, including but not limited to personal health information or financial information, prior to any transfer or disclosure to us. Upon your written request, we will discuss with you in good faith entering into a mutually acceptable agreement relating to the lawful cross-border transfer and processing of your Personal Information.

(c) We and you may also correspond or convey information and documentation, including Confidential Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, as defined in Section 9(d), such as email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and you acknowledge that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure or use, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect your Confidential Information. We offer our clients various platforms for the exchange of information which may require additional user terms and conditions which will be made available to you prior to the use of such platform (whether by a link, click-through, or otherwise). You hereby agree that you will be bound by and comply with any and all user terms and conditions made available with respect to the platforms. If you are concerned about the security of particular information, please contact us to discuss alternative arrangements.

(d) We may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, Third Party Products).

(e) You acknowledge that your or our usage of a Third-Party Product may involve the input, movement, transfer and storage of your data or Confidential Information within the infrastructure provided by the Third-Party Product, and that the terms of use and service set forth in the end user licensing agreement or other agreements with the licensor of a Third-Party Product will govern all obligations of the licensor relating to data privacy, storage, recovery, security, and processing within a Third-Party Product's

infrastructure, as well as, the service levels associated with a Third-Party Product.

(f) You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. You agree that we will not be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including without limitation any Confidential Information, resulting from your or our use of a Third-Party Product.

10. Privilege Considerations. In certain circumstances, information that you disclose to us could be the subject of a claim of privilege, but you must generally assert and maintain the privilege claim. Claims of privilege involve considerations of law other than tax law, as well as the costs of asserting a privilege. You should contact your legal counsel if you have questions concerning the availability of any privilege or how and whether to assert a privilege.

11. Use of Information in or from Accounting and Attest Services. (a) If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, information from or relating to your tax returns may be relevant to financial statement reporting or to other accounting or attest services. If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, (i) we may use and rely on any information that we obtain in such an engagement in performing any tax services to which this Engagement Letter relates and (ii) you authorize us to use your tax returns and any information we receive or develop in providing tax services in performing these audit, review, compilation or other accounting or attest services.

(b) Financial statement audits and reviews are not designed or intended to examine or address every potential income or other tax issue. Even if you engage us to perform any audit, review, compilation or other accounting or attest services, we may still rely on information in the manner provided in this Engagement Letter, the Standards of Services and any applicable Statement of Work.

12. Limited Disclosure of Information for Evaluating Independence. RSM Alberta LLP is a member of RSM International, a network of

independent accounting firms. Professional standards require us to evaluate auditor independence taking into consideration both our services to you and your affiliates and any services to you and your affiliates performed by other member firms of RSM International. To permit us to comply with these independence rules, you agree that we may disclose to and discuss with RSM International and its member firms (i) the name of any entity that is or could become a "client" under Section 1, (ii) any ownership relationship between that entity and any natural person or other entity, and (iii) the nature of the services that we perform. The disclosure of information authorized by this section will be solely for the purpose of evaluating independence of RSM Alberta LLP and other RSM International firms under applicable professional standards.

13. Confirmation of Management Responsibility. Professional rules concerning auditor independence require that we confirm your overall responsibility for evaluating our services under any Statement of Work, and a failure to confirm your management responsibility could affect our independence. You have indicated that James Foley will exercise all management responsibility for overseeing our services under any Statement of Work, for evaluating the adequacy and accepting the results of our services and for making all management decisions with respect to our services. You may from time to time designate another individual to exercise this management authority by written notice to us, but in no event can you designate an individual who is a partner, principal or employee of any member firm of RSM International, including RSM Alberta LLP. By designating an individual to exercise this management authority, you are representing to us that such individual has the necessary skill, knowledge and experience to understand, evaluate and oversee our services.

14. Independent Contractor. For all tax services that we perform, we will be an independent contractor and not your employee, agent or partner, and we will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their applicable employee withholdings. You will retain all authority to oversee and evaluate our services under any Statement of Work and to make all decisions with respect to the tax return reporting of any item or any matter that is the subject of our advice.

15. Engagement of Other Parties. In performing any tax services, we may engage the services of other domestic tax preparers, including seasonal preparers,

independent contractors or other third party personnel. By engaging us, you authorize us to allow such third parties access to your files, financial information and other confidential information subject to the provisions of Section 8. Our engagement of any third party does not affect our obligations to you.

16. Conflicting Engagements. If at any time we determine in our sole discretion that a conflict of interest exists that prevents us from providing our services in accordance with applicable ethical rules, we will notify you of the conflict and we may withdraw from representing you to the extent that such withdrawal is required or permitted by applicable ethical rules.

17. Newsletters and Similar Communications. We may as a courtesy from time to time send newsletters, emails, explanations of tax law developments or similar communications to selected clients, former clients or other interested parties. These communications are of a general nature, are not definitive advice and are not intended to be relied upon in any transaction or any tax position. We do not send all such communications to all clients, former clients or interested parties. These newsletters do not establish or continue a client relationship with any person and they do not constitute an undertaking on our part to monitor tax or other issues for you or for any other parties. Pursuant to Canada's Anti-Spam Legislation ("CASL"), we seek your consent on your own behalf and on behalf of your employees to utilize electronic messages to communicate with you for the delivery of services and to receive newsletters, marketing materials and other information about our services. We seek your consent on behalf of RSM Alberta LLP, RSM Alberta Consulting LP, RSM Alberta Corporate Finance Inc., and RSM Alberta Limited. By signing below, you have consented to our use of your contact information to send you such newsletters or other communications. You may opt in to receive certain newsletters or other communications, and you may also opt out of receiving any communications that are unrelated to our services by notifying us in the manner described in the particular communication or by contacting the RSM professional responsible for your services.

18. Intellectual Property Rights. We will deliver to you the tax returns, tax advice or other deliverables expressly enumerated in the applicable Statement of Work, subject to the terms of this Engagement Letter, the Standards of Services and the Statements of Work. These deliverables may be provided to you in paper or electronic format. Except as expressly stated in the applicable Statement of Work, we will have no

obligation to provide any deliverable in an electronic format that is capable of being modified or edited. All our work product and files will remain our property and we retain all copyrights and other intellectual property rights with respect to our work product.

19. Documents and Files. (a) Our files are generally maintained in electronic format. If you provide us with a paper document, we will generally scan that document to electronic format and discard the paper version. Accordingly, you should not provide us with any paper document that you wish to retain in paper format.

(b) Upon your written request, we will return to you copies of all documents then in our possession that were provided to us by you or on your behalf in connection with the performance of our services. If required by applicable law or professional standards, we will also provide to you upon your written request copies of other documents or records relating to our services. The documents and records we provide to you may be provided in paper or electronic format. We will have no obligation to provide any document or record in an electronic format that is capable of being modified or edited. We may retain copies of these documents and records for our files.

(c) We, in our sole discretion, may provide you with access to or copies of other documents or workpapers in any format (including an updatable electronic format) beyond what is required by the applicable professional standards or codes of conduct, but you will be obligated to pay all costs associated with such access or copies.

20. Document Production and Testimony. If we are requested or authorized by you, or if we are required by government regulation, subpoena or other legal process, to produce any documents or files, or to make our personnel available as witnesses with respect to any engagement, you will (so long as we are not a party to the proceeding in which the information is sought) pay us for our time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such requests.

21. Record Retention. (a) Our current policy (which we may revise at any time and in our sole discretion) is to retain copies of tax returns and certain related workpapers for six years after the return is filed, subject to casualties beyond our control. We provide our clients with a file copy of each income tax return and we recommend that you retain copies of all returns.

(b) Although taxpayers are not generally required to retain their tax records for longer than six years, there

are situations in which tax returns older than six years may contain information useful in future tax planning or may be subject to reassessment or audit. For example, prior year returns may contain information relating to tax elections or to the basis of assets for gain/loss calculations, and corporations may use tax return information in calculating "safe income" for corporate tax planning. We recommend that taxpayers consider maintaining separate accounting records or workpapers with this information, and we will not maintain these separate records except as expressly described in a Statement of Work. If you would like us to assist you in developing these separate records, please contact us to discuss the scope of such a project.

(c) It may also be advisable to retain accounting or tax records for longer than six years for reasons unrelated to taxes. Decisions regarding document retention may involve a variety of legal considerations (e.g. statutes of limitations, rules of evidence), so you may wish to consult your legal counsel to address these legal considerations.

22. Uncontrollable Delays. The time for performance of any of your or our obligations (other than the obligation to pay money due) will be extended for a reasonable time in the event of causes beyond your or our reasonable control, including without limitation acts of God, war, acts of government, fire, flood, epidemic, pandemic or outbreaks of communicable disease, riot, strike or labor problems, sabotage, internet or other system or network outages, cyberattacks, delays in obtaining labor, materials, equipment or transportation or other similar causes beyond the control of either party

23. Warranty and Limitation. We warrant that our services will be performed with reasonable care in a diligent and competent manner in accordance with the professional standards for tax services applicable to the individuals providing those services. **THIS IS OUR ONLY WARRANTY CONCERNING OUR SERVICES AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ALL OF WHICH ARE HEREBY DISCLAIMED.**

24. Disclaimer of Legal and Investment Advice. Our services under this Engagement Letter, the Standards of Services and any Statement of Work do not constitute legal or investment advice. We recommend

that you retain competent legal counsel and investment advisers.

25. Indemnification for Breach. Subject to the provisions of Sections 23, 26 and 27, each party will indemnify the other for any loss, liability or obligation arising out of or relating to a failure to fulfill its obligations under this Engagement Letter, the Standards of Services or any Statement of Work.

26. Opportunity to Cure and Liability Limitations.

(a) In the event that we fail to meet our obligations under this Engagement Letter (including without limitation Section 23), the Standards of Services or any Statement of Work, you must notify us in writing and provide us with the opportunity to re-perform the services.

(b) If the services cannot be re-performed, or if re-performance will not cure the breach or mitigate any damages caused by the breach, then your remedy will be for us to refund our fees under the affected Statement of Work up to the amount of your direct damages caused by our failure to meet our obligations. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to our services under any Statement of Work exceed the amount of fees actually paid to us under that Statement of Work. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to all other obligations under this Engagement Letter or the Standards of Services exceed the amount of fees accrued and paid to us under all Statements of Work during the twelve months immediately preceding the first such breach of any such obligation.

(c) In no event will we be liable for loss of profits or any consequential, indirect, special, exemplary or punitive damages or for any losses or costs incurred relating to any government or regulatory action, investigation, enforcement action or fine.

27. Time Limitation on Claims. No claim or action by either party, regardless of whether the claim is in contract, in tort, at law or in equity, arising out of or relating to any matter under this Engagement Letter, the Standards of Services or any Statement of Work may be brought by either party after the earlier of (i) 24 months after the party first knows or has reason to know that the claim or cause of action has accrued or (ii) 60 months following the completion of the services under the affected Statement of Work. This Section may shorten, but in no event will it extend, any period

of limitation on actions otherwise provided by applicable law.

28. Effect on Other Agreements. The provisions of Sections 26 and 27 will not limit our obligations or liability under any separate agreement for the provision of audit, review, compilation or other accounting or attest services.

29. Liability of Other RSM International Firms. RSM Alberta LLP is a member of RSM International, a network of independent accounting, tax, and consulting firms. Neither RSM International nor any member firm other than RSM Alberta LLP will have any obligation or liability to you under this Engagement Letter, the Standards of Services or any Statement of Work.

30. Termination. (a) You may terminate this Engagement Letter or any Statement of Work at any time by written notice to us. Subject to any restrictions imposed by applicable ethical rules, we may terminate this Engagement Letter or any Statement of Work at any time upon written notice to you. Termination for any reason will not affect your obligation to pay us for fees and expenses incurred prior to termination or in transferring files to and otherwise cooperating with any successor tax preparer or tax advisor.

(b) If you terminate any Statement of Work providing for a fixed fee after we have commenced performing services under that Statement of Work, then upon termination you will be obligated to pay us a portion of the fixed fee based upon the proportion of the amount of work completed under the Statement of Work in relation to the total amount of work expected to be required to complete the Statement of Work.

31. Survival of Provisions. All provisions of this Engagement Letter, the Standards of Services and the applicable Statement(s) of Work will survive the termination of this Engagement Letter or any Statement of Work, except that (i) we will not have any obligation to provide services after termination and (ii) except as provided in Sections 19, 20 and 30, you will not have any obligation to pay us for any services that we perform after termination.

32. Entire Agreement; Interpretation. This Engagement Letter, the Standards of Services and the Statements of Work represent our entire agreement and understanding concerning our delivery of tax services to you, and they supersede all prior and contemporaneous agreements, including without limitation, any nondisclosure agreements. All provisions in this Engagement Letter, the Standards of Services and the Statements of Work must be

construed according to their fair meaning and not strictly for or against any party. The headers, footers, trademarks and service marks are included for reference and branding purposes only and will not affect the meaning of any other provision of this Engagement Letter.

33. Amendments, Waivers and Consents. Except as provided in Section 3, this Engagement Letter may not be amended except by our mutual written agreement. No waiver of any breach of this Engagement Letter, the Standards of Services or any Statement of Work will be effective unless the waiver is in writing and signed by the party against whom the waiver will be enforced. No waiver of any one breach will be deemed a waiver of any other or subsequent breach.

34. Writing and Signatures. (a) For the purposes of this Engagement Letter, the Standards of Services or any Statement of Work a communication will be deemed to be "in writing" if it is in paper format or in an electronic format capable of being read and being reduced to paper format.

(b) For the purposes of this Engagement Letter (including without limitation Sections 3, 33 and 35), the Standards of Services or any Statement of Work, a document may be "signed" by you or by us either manually or electronically meeting any requirements established pursuant to the applicable laws regulating electronic commerce.

35. Assignment; No Third Party Beneficiaries. You may not assign this Engagement Letter, the Standards of Services or any Statement of Work to any other party without our prior written consent signed by our duly authorized partner, principal or employee, except that you may assign all of this Engagement Letter, the Standards of Services and all Statements of Work then in effect to any party that acquires substantially all of your assets and goodwill. This Engagement Letter, the Standards of Services and all Statements of Work will be binding on our and your respective successors and assigns. There are no third party beneficiaries to this Engagement Letter, the Standards of Services or any Statement of Work except as expressly provided in the applicable Statement of Work. Any Statement of Work that proposes to name a third party beneficiary of our services must be signed by us in order to be binding on us.

36. Governing Law. This Engagement Letter, the Standards of Services and the Statements of Work and any dispute or claim arising out of or relating thereto will be governed by and construed in accordance with the laws of the province in which our office providing the majority of our services under this

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Engagement Letter is located, without regard to provisions governing conflicts of laws. All litigation or other legal proceedings will be brought in the Provincial or Federal courts located in that province. The parties agree to this choice of law, jurisdiction and

venue, and waive any defense of an inconvenient forum.

Sincerely,

Bob Boser, B.Comm., CPA, CA
Partner

This Engagement Letter, the Standards of Services and the Statement(s) of Work are binding on all entities deemed to be a client under Section 1 above, and each signatory below represents that he or she has the legal power and authority to act on behalf of and to bind each of those entities.

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Generation Steel Inc.

James Foley

Date

Express consent to receive electronic communications pursuant to Canadian Anti-Spam Legislation (CASL). I have authority to bind the corporation and I have authority to grant consent for receipt of commercial electronic messages on behalf of the employees.

Signature and Title

Date

In the course of delivering tax services to our clients or to third parties (you), RSM Alberta LLP (we or us) applies customary practices intended to provide our services in a cost effective manner and in accordance with applicable law and professional standards. This document describes the standards for performance of our services (these Standards) relating to tax return preparation, tax advice and consultation, representation in any tax controversy matter, tax information return filings, accounting for taxes or any other Federal, provincial, or foreign tax matter.

These Standards do not constitute an agreement to provide tax services. Our agreement to provide specific tax services can only be made in the manner provided in an engagement letter signed by both you and our duly authorized partner, principal or employee (the Engagement Letter). The scope of services for a particular project will be set forth in a statement of work delivered in the manner provided in the Engagement Letter (each, a Statement of Work). These Standards may be modified for a particular project, but only to the extent we expressly agree in a Statement of Work signed by our duly authorized partner, principal or employee. Modification of these Standards in a Statement of Work will apply only to the specific services described in that Statement of Work.

These Standards reference certain tax return, reporting, withholding or other requirements frequently encountered by business taxpayers under Federal and provincial law. However, the description of any referenced requirement is only a summary as of the date these Standards were released and is not a comprehensive description of the referenced requirements. In addition, there are many other requirements under applicable law that are not referenced in these Standards.

We may revise these Standards by providing you with a copy of the revised Standards in the manner provided in the Engagement Letter. The revised Standards will apply to all Statements of Work subsequently or simultaneously delivered to you.

References in these Standards to the “Act” mean the Income Tax Act (Canada) and Regulations issued thereunder, as amended. “Tax Advice” has the meaning set forth in Section 4.1.

1. Standards Applicable to all Tax Services

1.1 Scope of Our Services. The scope of our services will be limited to the services specifically described in the applicable Statement of Work. If you require services beyond those specifically described in a particular Statement of Work, these additional services would require either a separate Statement of Work or an expansion of an existing Statement of Work at an additional cost.

1.2 Decisions. While we may provide you with advice concerning tax return reporting and tax consequences of certain transactions, you will retain all authority and responsibility for making any decisions based on our advice.

1.3 Reliance on Information. Except as provided in the applicable Statement of Work, we will not investigate or verify any facts underlying the transactions reported on your tax return, but we will rely on the financial and other information that you provide us and any financial information that we receive in connection with any assurance services we provide to you. If the actual facts are different from the facts represented to or understood by us, or if there are other facts of which we are not aware, the tax return reporting of the transactions or the conclusions in our Tax Advice could be materially different than that reported on the returns prepared by us.

1.4 Possibility of Litigation. If the Canada Revenue Agency (CRA) or another tax authority adopts a position contrary to any analysis or conclusions in our Tax Advice or to any position reported on a tax return, it might be necessary to pursue administrative appeals or litigation. Decisions of whether and how to pursue administrative appeals or litigation may be based on considerations of cost, publicity and other matters unrelated to the technical merits of a tax position. In some cases, taxpayers elect not to pursue appeals or litigation even though a reported position may ultimately be sustained on appeal or in litigation.

1.5 Changes in Law. Subsequent changes to applicable law or regulations, or the issuance of new case or ruling authority, could materially and adversely affect the analysis and conclusions in an item of Tax Advice or a position reported on a tax return. Neither the delivery of any Tax Advice nor the preparation of a tax return is an undertaking on our part to monitor or to advise you concerning any changes in law subsequent to the date of the Tax Advice or the delivery of the tax returns.

2. Tax Return Preparation

2.1 Scope of Return Preparation Services. Our services in preparing your tax returns are limited to tax return preparation, and our preparation of a return should not be viewed as assurance that any particular reported position is likely to prevail in the event of a

challenge by the CRA or another tax authority. If we become aware of a return position for which we believe a penalty under the Act is likely to apply, we will bring that position to your attention. If you would like us to advise you concerning any specific matter on your tax return, please contact us to discuss expanding the scope of our services. Any Tax Advice rendered in connection with the preparation of any tax return is subject to the provisions described under "4. Tax Advice" below. Tax return preparation and tax advisory services do not include representation in the event of an audit by the CRA or other tax authorities.

Tax return preparation services do not constitute accounting or auditing services. In addition, tax return preparation services are not designed to disclose defalcations or other irregularities, should any exist. Conversely, financial statement audits and reviews are not designed or intended to examine or address every potential income tax issue. In addition, certain potential adjustments that are deemed immaterial for financial statement reporting purposes may be required for tax reporting purposes. Please contact us if you would like us to review any specific financial statement items for compliance with applicable tax laws.

In the course of preparing tax returns, we may prepare schedules or perform accounting work as we deem necessary to prepare your returns in accordance with applicable law and professional standards. These schedules and accounting work are solely for the support of our tax return services, and may not be appropriate for financial statement or other purposes.

2.2 Our and Your Respective Responsibility for Accuracy. We will exercise due professional care and judgment to include all required information in your tax returns. The Act provides that by signing or authorizing the electronic filing of your returns, you are verifying that they are true, correct and complete. Accordingly, you should review each tax return carefully before signing the return or any e-filing authorization and bring any questionable items or any omissions to our attention.

2.3 Jurisdictions for Returns. We will prepare tax returns for those Federal, provincial, and foreign jurisdictions described in the applicable Statement of Work. We will advise you if we believe, based on the information that you provide us, that a tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval of the expansion of our scope of services. It is important that you inform us of any new or expanded activities that could trigger filing requirements in additional province(s), such as the acquisition of property or the hiring of employees in a new province. Activities of a partnership, trust or other flow-through entity in which you are an owner or beneficiary may also trigger additional provincial tax filings, so please contact us if you have acquired an interest in any such entity over the past year.

2.4 Deductions, Credits and Other Tax Incentives. If we determine that you are eligible for any tax credit, exclusion or deduction, we will either apply any such tax benefit in preparing your tax returns or we will advise of its availability and any related considerations to permit you to decide whether to take advantage of the tax benefit. Your eligibility for certain tax benefits will in some cases depend on the existence of certain documentation and may require tax research beyond the scope of tax return preparation services. Separate filings may be required in respect of certain credits to be claimed which do not form part of the tax return and which may not be late filed.

There are numerous tax credits, exclusions and deductions for which a detailed review of business or investment activities would be required to determine their availability. Such a detailed review is beyond the scope of tax return preparation. If you would like us to undertake a detailed review of your activities to identify tax credits, exclusions or deductions, please contact us to discuss the terms of an engagement for these services.

2.5 Level of Assurance. Except as expressly provided in an applicable Statement of Work, we will not review any reporting position or perform any tax research for the purpose of either (i) determining whether a position can be reported or (ii) determining whether tax penalties may apply. If you wish to report a position on the return, or if you are concerned about the potential application of tax penalties, please contact us to discuss expanding the scope of our services to include Tax Advice that may address your concerns.

2.6 Disclosure of Transactions and Information Return Filings. The Act and certain provincial laws require that you disclose on or with your tax return certain transactions or other financial information in the form of separate information return filings. There may be significant financial penalties for failure to file a required information return even if there is no understatement of tax or tax liability associated with the information return. Our tax return preparation services do not include any separate investigation to evaluate whether there are any transactions or other matters that must be disclosed on your returns, but we will advise you if we conclude that any such disclosure is required. If you would like us to specifically review any transaction or matter to evaluate whether specific reporting is required, please contact us to discuss expanding the scope of our services.

2.7 Amended Tax Returns. If you engage us to prepare any amended tax returns, our services will be limited to the reporting of the items on the amended returns that are changed from the position reported on the original (or last filed amended) returns. We will rely without investigation on the previously filed returns with respect to any position that is not amended and we will have no obligation or responsibility under this letter with respect to any such position.

2.8 Electronic Filing of Tax Returns. Federal and provincial tax laws mandate the electronic filing of certain tax returns. In some cases, a taxpayer may elect to file a tax return in paper format and in other cases an election to opt out of electronic filing is not available. Occasionally, technical limitations prevent the electronic filing of a particular return.

We will use our best efforts to electronically file your tax returns. Prior to electronic filing, we will provide you with the information to be included on your return for your review and approval. Federal and provincial laws require that we obtain your written authorization prior to electronically filing a return, so it is critical that you sign and return the authorization form to permit electronic filing by the return's due date.

If we cannot electronically file any tax return, whether due to technical limitations or for any other reason, we will provide you with those returns for filing in paper format. If any return is provided to you in paper format for filing, it is critical that you sign, date and mail that return by its due date.

2.9 Your Copy of Your Tax Returns. We will provide you with an electronic copy of the tax return or the required information in a *.pdf* or similar format. If you would like to receive a paper copy in lieu of the electronic copy, please notify us in writing as soon as possible.

2.10 Notices. Occasionally, the CRA or other Provincial tax authority will send a notice of reassessment recalculating tax liability or requesting additional documentation following the filing of a tax return. If you receive such a notice, you should forward a copy of the notice to us as soon as possible since a notice may in some cases affect future tax services and require responses within a specified time frame. In addition, we will at your request assist you in responding to any notice relating to any of your tax returns that we prepare.

2.11 Use of Tax Returns. Because of their special purpose, nature and format, income tax returns do not constitute financial statements prepared in accordance with international financial reporting standards. The tax returns should be used only for income tax purposes and must not be used as a substitute for financial statements.

3. Estimated Taxes

3.1 Estimated Taxes. Federal and provincial laws require taxpayers to make estimated tax payments relating to their current year tax liability, and a failure to make adequate estimated tax payments to the Receiver General or to a provincial tax authority could result in tax penalties.

An engagement to prepare annual tax returns will not include services for estimated tax planning or preparation unless expressly stated. If you engage us to

assist you in calculating estimated tax payments, you must provide us with the information we request and with any other information relevant to your tax liability (including information concerning the allocation or apportionment between provinces) at least 30 days prior to the due dates of your estimated payments. If you would like us to assist you with estimated tax planning, you should contact us at least 45 days prior to the due date of the next estimated tax payment.

In calculating the amount of any estimated tax payment, we will rely on information that you provide and we will not audit or otherwise verify this information. In the event that the information you provide is different from the actual amounts of income, gain, deduction or loss, the amount of tax liability on your tax returns may be different from the aggregate amount of the estimated tax payments made. If the actual amount of that liability to any jurisdiction exceeds the aggregate estimated tax payments made to that jurisdiction for any period, it is possible that a tax penalty and applicable interest charges could apply.

3.2 Schedules of Estimated Tax Payments. At the time we deliver your tax returns to you, we may provide you with a schedule of estimated tax payments for the current year. Unless otherwise expressly stated on the schedule, the payments on any such schedule will be based solely on your prior year tax liabilities from the Federal and provincial income tax returns that we prepare on your behalf. While the payments will be intended to avoid Federal and provincial penalties for the underpayment of estimated taxes and any applicable interest thereon, your actual current year income tax liabilities could be materially different from the aggregate amount of these payments. In that event you may owe tax penalties and any applicable interest charges.

4. Tax Advice

4.1 What Constitutes Tax Advice. Any definitive advice concerning any tax matter depends on the particular facts of your situation, as well as the law and related authorities (e.g. regulations, case law, rulings etc.) that apply to those facts. Our professional standards require that we exercise appropriate due diligence in providing tax advice, taking into consideration the scope of our engagement and the type and specificity of the advice that you request. This due diligence may require review or confirmation of certain facts and research concerning applicable tax authorities. In order to confirm our mutual understanding regarding material facts and to provide you with an understanding of any particular risks associated with any tax positions addressed, all definitive advice that we provide concerning any tax matter (Tax Advice) must be in writing in the form of a letter or a memorandum.

We are happy to discuss with you our views regarding the tax treatment of certain items. We may also provide you with tax information in the body of an email.

However, any communication or information delivered to you orally or in the body of an email (as opposed to a letter or memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions.

Because of these limitations and the related risks, oral and email communications will not be deemed Tax Advice, and it may not be appropriate for you to proceed with any transaction or any tax return reporting solely on the basis of any oral or email communication. We recognize that in some cases you may choose to proceed without obtaining Tax Advice due to considerations of cost, timing and your evaluation of potential risks. If you choose to proceed with any transaction or tax return reporting position without obtaining Tax Advice from us, then you accept all responsibility for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of Tax Advice that is delivered to you as a document attached to an email.

In providing our tax services, we may provide you with tax or financial schedules and calculations. These schedules and calculations, standing alone, cannot adequately describe the merits and risks of any tax position or the assumptions underlying the schedule or calculations. Accordingly, these schedules and calculations should not be viewed as assurance of the correctness of any particular tax position. If you would like assurance regarding the tax positions upon which any schedule or calculation is based, please contact us to discuss the merits of our providing you with Tax Advice to support those calculations.

4.2 Facts and Assumptions. Our investigation to confirm or verify any facts described in any Tax Advice will be limited to the investigation described in the body of the Tax Advice, and we will rely on the facts, assumptions and representations described in the Tax Advice. Any change in or addition to these facts, assumptions or representations could materially and adversely affect our analysis and conclusions. If you for any reason believe that any facts, assumptions or representations in any Tax Advice are incorrect or incomplete, you must notify us immediately to discuss the impact on our analysis and conclusions. You should not rely upon any item of Tax Advice that is based on facts, assumptions or representations that you believe to be incorrect or incomplete.

4.3 Applicable Law. A majority of our Tax Advice addresses Federal income tax matters. Unless expressly stated in our Tax Advice, our analysis and conclusions will relate solely to Federal income tax consequences under the Act as of the date of our Tax Advice. If you would like us to address tax

consequences to you under any other applicable tax law, please contact us to discuss expanding the scope of our services.

4.4 Issues Addressed. Each item of Tax Advice will be limited to advice concerning the tax issues described in the Tax Advice, and it may not consider all of the issues that may arise in connection with the subject matter of the advice. Except as expressly stated in an item of Tax Advice, our advice is not an endorsement of any particular transaction structure or accounting method, nor is it a recommendation that any addressee proceed with any transaction or other matter described in the Tax Advice.

4.5 Level of Assurance for Tax Advice; No Guarantee. Many areas of tax law are unclear, and the application of the tax law to any particular facts may be subject to more than one interpretation. Our Tax Advice will be based upon our interpretation of applicable law and regulations and certain case and ruling authority as of the date of the Tax Advice. The level of assurance for any particular item of Tax Advice will depend on the underlying facts, the clarity of applicable law, regulations, case and ruling authority, and the extent of factual due diligence and tax research performed. The conclusions in our Tax Advice will be based on our good faith belief that they meet the level of assurance stated in the Tax Advice. Obtaining Tax Advice at a particular level of assurance may in some cases provide a defense to certain tax penalties, but you should not assume that an item of Tax Advice will offer you protection from penalties except as expressly stated in the Tax Advice.

A Statement of Work may indicate a desired level of assurance for Tax Advice addressing a particular tax position. Because the ultimate level of assurance with respect to any tax position will depend on our findings with respect to the underlying facts and the results of our tax research, no Statement of Work should be viewed as a binding commitment to deliver Tax Advice concerning any tax position at a particular level of assurance.

Our analysis and conclusions will be based upon our professional judgment, will not be a guarantee of the ultimate tax consequences of the transactions described in the Tax Advice and will not be binding on the CRA, any provincial or foreign tax authority, or any court. If you would like greater certainty regarding the tax treatment of any particular transaction, please contact us to discuss the possibility of obtaining a ruling from the appropriate tax authority.

4.6 Reliance and Distribution. Each item of Tax Advice is rendered only for the benefit of the named addressee(s), and does not address the tax consequences to any other person or entity that is not an addressee. No person or entity other than the named addressee(s) may rely on the Tax Advice.

To avoid confusion regarding matters of reliance, our Tax Advice may not be delivered to any other party unless you advise the recipient of these limitations on reliance. You may not include any item of Tax Advice in any prospectus, private placement memorandum or other document used to offer any securities or to otherwise obtain financing.

Unless expressly provided in an item of Tax Advice, but subject to the limitations in the preceding paragraph, you are free to share the Tax Advice with any third party. You may deliver a copy of any Tax Advice to the CRA or any provincial or foreign tax authority for the purpose of demonstrating good faith and reliance on the analysis and conclusions expressed therein.

5. Tax Controversy Matters

5.1 Audits and Appeals. (a) In connection with any audit of a return by the CRA or any other tax authority, we will perform the following services as we deem appropriate to properly respond to the audit:

- (i) assist you in responding to requests for information from the tax authority;
- (ii) conduct tax research and advise you concerning the merits of your reported tax position(s) and the merits of any potential challenge to your reported position(s);
- (iii) participate in meetings and conference calls with you and with representatives of the tax authority;
- (iv) prepare any amended tax returns required as a result of the audit;
- (v) prepare and file any taxpayer protest or other documents necessary for any administrative appeal; and
- (vi) assist you in evaluating the terms of any proposed assessment, settlement or appellate determination.

(b) We will consult with you throughout the audit or appeal concerning all significant services that we plan to perform. Except as required by law or by applicable professional rules, we will not perform any service that you have specifically asked that we not perform.

(c) In any audit, appeal or litigation, decisions whether to contest or to concede an assessment or a particular tax position are often affected by considerations other than the technical merits of a position (e.g. the costs of proceeding). We will use our best efforts to assist you in evaluating these other considerations.

5.2 Litigation. Should you ultimately choose to pursue litigation as a result of any assessment arising out of an audit, we would not be able to represent you in any court. If you choose to pursue litigation at any point, we strongly recommend that you retain legal counsel experienced in tax litigation matters. Although we cannot represent you in court, we would be able to assist your

legal counsel in understanding the facts of your case, the technical merits of your position and other matters we encounter during the course of our services.

6. Tax Withholding Matters

6.1 Nonresident and Foreign Owner Withholding.

Tax laws in some cases require taxpayers to withhold taxes on behalf of nonresident or foreign owners or beneficiaries and remit the taxes withheld. A failure to remit taxes required to be withheld may result in tax penalties and interest. If you engage us to assist you in calculating nonresident or foreign owner withholding tax payments, we will perform those calculations for those taxpayers identified in the applicable Statement of Work under Federal law. For us to calculate these amounts, you must provide us with the information we request, including information regarding nonresident or foreign owners or beneficiaries, at least 30 days prior to the date of any payment to a nonresident owner or beneficiary.

In calculating the amount of any nonresident or foreign withholding or payments, we will rely on information that you provide and we will not audit or otherwise verify this information. If the information you provide is different from the actual amounts of income, gain, deduction or loss allocated to any nonresident or foreign owner or beneficiary, the amount of the required withholding may be different from the amounts withheld or remitted. If the actual amount of the required withholding for any jurisdiction exceeds the aggregate withholding tax payments made to that jurisdiction for any period, it is possible that penalties and interest could apply.

7. Authorizations

7.1 Authorization to Communicate with Federal and Provincial Tax Authorities. In connection with your tax return filings, tax account administration, audit, appeal or other tax controversy matter, you may grant to us authorization to communicate with Federal and Provincial tax authorities on your behalf.

Notwithstanding any grant authorization, all significant decisions concerning any audit, appeal or other tax controversy matter, will be decisions to be made by you in your sole discretion and any documents or responses prepared by us will be discussed with you and reviewed by you prior to being provided to the relevant tax authority.

8. Foreign Information Reporting

8.1 Foreign Information Reporting. Individuals, corporations, partnerships, trusts and estates who have a financial interest in a foreign country or transact with non-residents may be required to make separate information return filings to report such interests or transactions, as the case may be, where the applicable reporting criteria in the Act are satisfied. Separate information return filing requirements also apply to

taxpayers with direct or indirect control over foreign entities. Although information returns do not have an associated income tax liability, failure to file foreign information returns where required may result in the application of late filing penalties and related interest

During the course of our engagement, we may identify information or transactions that would give rise to a foreign information return requirement. We will advise you if we believe, based on the information that you provide us, that an information return may be required, but we will not prepare any such tax return without your approval of the expansion of our scope of services.

Rev 8/30/19

Client(s): Generation Steel Inc.

Date: October 29, 2020

The taxpayer(s) identified above (you or your) and RSM Alberta LLP (we, our or us) have entered into an engagement letter for tax services (the Engagement Letter). Under the Engagement Letter, the scope and nature of our tax services and any deliverables are to be described in separate statements of work for separate projects. This document is a “Statement of Work” under the Engagement Letter.

All services described in or provided pursuant to this Statement of Work are subject to the terms, conditions and limitations of the Engagement Letter and the Standards of Services in Tax Matters for Business Taxpayers that we have provided to you and are in effect as of the above date. Handwritten changes to this Statement of Work will have no legal effect.

Description of Our Services under this Statement of Work

Tax Return Preparation

We will prepare the tax returns for the entities, jurisdictions and tax periods specified in the attached “Schedule of Tax and Information Returns to be Prepared.” If you would like to add related taxpayers to this schedule, please call us to discuss expanding the scope of our tax return preparation services. If you choose to add taxpayers or additional tax or information return filings, this will increase the amount of our fees and expenses described below.

Some taxpayers have begun issuing, utilizing, trading or investing in virtual currencies (e.g. Bitcoin). Canada Revenue Agency guidance governing the reporting of transactions involving virtual currencies generally requires each transaction to be treated as a sale or exchange of property at its then fair market value, so clients’ accounting systems must be able to track these transactions and determine fair market value to ensure proper income tax reporting. If you have engaged in transactions involving virtual currencies, we may be required to review your systems of accounting for those transactions and your approach to determining fair market value of the virtual currencies, which may increase the amount of our fees. Please note that in preparing any tax returns reporting virtual currency transactions, we will not provide any assurance as to the correctness of any determination of fair market value.

To prepare your tax returns, it will be necessary for you to provide us with the financial and other information that we request. We will provide you with a Client Assistance Package and may request additional information, and it is necessary for you to respond to these requests completely and accurately. If you have any questions concerning a particular question or request, please contact us. We will also request financial information for use in preparing your tax returns from any other firm(s) that you have engaged to provide you with audit, review or compilation services.

You must deliver all financial and other information necessary for preparation of your returns to us at least 45 days prior to the due date of the returns. Applicable laws and professional standards require us to apply certain review procedures in preparing a tax return, and we need adequate time to perform these procedures. If for any reason you are unable to provide us with this information at least 45 days prior to the due date, you must contact us as soon as possible so that we can modify the staffing and scheduling of our services. We will contact you if at any time we conclude that we will be unable to complete any return by the filing due date.

We will request a large portion of the tax and financial information from you in an electronic format. Certain other information requests may be in hard copy. We will work with your management team to assist you in providing us this information in an appropriate electronic format, but we will depend heavily upon your employees and representatives in obtaining information in the most appropriate format. If any requested information is not received or is received in an unusable format, we will return the items to you

for completion or correction. If you cannot provide information in the requested format, or if it becomes necessary for us to prepare or to correct information to be provided by you, our fees for preparing your tax returns will increase. If at any time you believe you might be better served by having us perform a particular task, please contact us to discuss modifying the scope of our services and the amount of any additional fees.

Consultations Regarding Tax Matters

In connection with your tax returns or in response to your request(s), we may respond to questions, provide general tax information or explanations, discuss tax issues or otherwise consult with you concerning various tax matters. We call your attention to the limited nature of due diligence and research typically performed in providing information regarding tax matters orally or via email, and the limitations on your ability to rely on any oral or email communications.

Consultations Regarding General Business Matters

We recognize that you face a wide variety of business questions and challenges. In connection with your tax returns or in response to your request(s), we may respond to your questions, provide general information or explanations, discuss issues or otherwise consult with you to provide you with insights regarding nontax matters based on the experience of the tax professional primarily responsible for overseeing our tax services to you. We call your attention to the limited nature of research typically performed in providing this general business information. We are of course happy to meet with you to discuss your business questions and challenges in more detail and to assist you in tailoring solutions for your business, but those services would be performed under a separate statement of work and for additional fees. Any such nontax advice does not constitute legal or investment advice.

Impact of COVID-19 on Our Services

Both you and we acknowledge that, at the time of the execution of this Statement of Work, national, provincial, and local governments, both domestic and foreign, have restricted travel and/or the movement of people due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in Canada and around the globe, we have restricted our employees from travel and onsite work, whether at a client facility or an RSM facility, to protect the health of both our clients' employees and our employees. Accordingly, to the extent that any of the services described in this Statement of Work requires your or our personnel to travel and/or perform work onsite, either at your or our facilities, you and we acknowledge that the performance of this work may be delayed and that certain services described in this Statement of Work may need to be rescheduled and/or suspended at either your or our sole discretion. Each party agrees to provide the other with prompt notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. The parties acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein.

Fees and Expenses

Our fees for our services described in this Statement of Work will be calculated as provided in the Engagement Letter. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns. All sales, use, value-added or other similar taxes will be charged in addition to the fees and expenses.

Schedule of Tax and Information Returns to be Prepared

Entity Name	Return Type(s)	Tax Period(s)	Jurisdictions
Generation Steel Inc.	T2	2020	Federal & Provincial



October 19, 2020

Generation Steel Inc.
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Attention: James Foley

Dear James:

Re: Generation Steel Inc.

You have requested that we compile the financial statements of Generation Steel Inc. (the Company), which comprise the balance sheet as of July 31, 2021, the related statements of income and retained earnings for the year then ending, (collectively, the financial statements), and perform a compilation engagement with respect to those financial statements. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

As agreed, we will compile financial statements in accordance with the standards applicable to compilation engagements for the year ending July 31, 2021. We will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

On the basis of information provided by management, we have compiled the balance sheet of Generation Steel Inc. as July 31, 2021, and the related statements of income and retained earnings, for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Since we are accepting this engagement as accountant, not as auditor, we request that you do not record this as an auditing engagement in the minutes of your shareholders' meetings. Our services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

1. the Company will provide us with accurate and complete information necessary to compile the financial statements;
2. the responsibility for the accuracy and completeness of the representations in the financial statements remains with the Company;
3. each page of the financial statements will be conspicuously marked as "Unaudited — See Notice to Reader";
4. you will attach our Notice to Reader when distributing the financial statements to third parties;

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5. the financial statements may either lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, and may not be appropriate for general purpose use; and
6. uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

The engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. We wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Because RSM Alberta LLP ("RSM") will rely on the Company and its management and Shareholders to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company's management that has caused, in any respect, RSM's breach of contract or negligence. Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due to our negligence.

This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our compilation, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.

Fees and disbursements (if any) will be billed to you on an interim basis as the work is performed or upon completion of the work and will be due and payable upon presentation of our invoices. Applicable taxes will be charged in addition to fees, costs and disbursements. Invoices unpaid 45 days past the billing date will be deemed delinquent, and are subject to an interest charge of 12% per annum.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the

Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

Generation Steel Inc. and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of Generation Steel Inc. arising from this engagement is limited to the amount of fees paid by Generation Steel Inc. to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of Generation Steel Inc. proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. Generation Steel Inc. agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of Generation Steel Inc. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein and to perform a compilation engagement with respect to those same financial statements and our respective responsibilities.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Company:

James Foley

Date

Generation Steel Inc.
Year End: July 31, 2020
Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/27/2020	KC 10/28/2020		

8001

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount Chg	%Chg
1020 Cash to be deposited	(5,438.84)	5,438.84	0.00	0.00	0.00	0.00	0
1040 TD Chequing Account	6,448.44	0.00	(6,436.04)	12.40	132.75	(120.35)	(91)
5000 Cash and cash equivalents	1,009.60	5,438.84	(6,436.04)	12.40	132.75	(120.35)	(91)
1200 Accounts Receivable	177,397.73	0.00	0.00	177,397.73	201,078.41	(23,680.68)	(12)
5200 Accounts receivable	177,397.73	0.00	0.00	177,397.73	201,078.41	(23,680.68)	(12)
1840 Vehicle	0.00	0.00	0.00	0.00	31,500.00	(31,500.00)	(100)
5500.100 Vehicles	0.00	0.00	0.00	0.00	31,500.00	(31,500.00)	(100)
1845 Accum. Amort. -Vehicle	(1,449.00)	1,449.00	0.00	0.00	(25,071.36)	25,071.36	(100)
5500.200 Vehicles - accum amort	(1,449.00)	1,449.00	0.00	0.00	(25,071.36)	25,071.36	(100)
2660 Due To/From Ellis Fabrications Inc	2,100,567.32	(3,438.84)	0.00	2,097,128.48	2,181,648.43	(84,519.95)	(4)
5600.300 Intercompany receivables - non-curren	2,100,567.32	(3,438.84)	0.00	2,097,128.48	2,181,648.43	(84,519.95)	(4)
2100 Accounts Payable	(2,351,021.06)	(2,000.00)	0.00	(2,353,021.06)	(2,453,021.06)	100,000.00	(4)
2105 Accrued Professional Fees	0.00	(6,000.00)	0.00	(6,000.00)	(3,000.00)	(3,000.00)	100
6100 Accounts payable	(2,351,021.06)	(8,000.00)	0.00	(2,359,021.06)	(2,456,021.06)	97,000.00	(4)
2315 GST/HST Paid on Purchases	5,247.00	(5,247.00)	4,440.64	4,440.64	0.00	4,440.64	0
2336 GST Payable Receiver General	(1,995.40)	(1,214.28)	1,995.40	(1,214.28)	1,995.40	(3,209.68)	(161)
6102 GST	3,251.60	(6,461.28)	6,436.04	3,226.36	1,995.40	1,230.96	62
2680 Due To/From The Generation Corp	(351,773.90)	0.00	0.00	(351,773.90)	(226,273.90)	(125,500.00)	55
6801 Due to/from shareholder	(351,773.90)	0.00	0.00	(351,773.90)	(226,273.90)	(125,500.00)	55
3350 Common Shares	(10.00)	0.00	0.00	(10.00)	(10.00)	0.00	0
6900.100 Equity shares	(10.00)	0.00	0.00	(10.00)	(10.00)	0.00	0
3560 Retained Earnings - Previous Year	289,521.33	1,500.00	0.00	291,021.33	115,656.16	175,365.17	152
6900.400 Retained earnings	289,521.33	1,500.00	0.00	291,021.33	115,656.16	175,365.17	152
4010 Plate Steel Sales	0.00	0.00	0.00	0.00	(2,239.43)	2,239.43	(100)
4020 Plate Steel Sales - I/C	0.00	0.00	0.00	0.00	(20,782.84)	20,782.84	(100)
4200 Cutting Revenue	(1,361.01)	0.00	0.00	(1,361.01)	(15,192.68)	13,831.67	(91)
4205 Bending Revenue	0.00	0.00	0.00	0.00	(70.00)	70.00	(100)
4220 Machining Revenue	0.00	0.00	0.00	0.00	(14,415.66)	14,415.66	(100)
7000 Revenues	(1,361.01)	0.00	0.00	(1,361.01)	(52,700.61)	51,339.60	(97)
5010 Plate Steel Cost	0.00	0.00	0.00	0.00	18,625.41	(18,625.41)	(100)
5015 Plate Steel Cost I/C	0.00	0.00	0.00	0.00	2,071.23	(2,071.23)	(100)
5130 Adjustment Write-off	0.00	0.00	0.00	0.00	19.31	(19.31)	(100)
5200 Cutting Expense	0.00	0.00	0.00	0.00	11,394.58	(11,394.58)	(100)
5205 Bending Expense	0.00	0.00	0.00	0.00	52.50	(52.50)	(100)
5220 Machining Expense	0.00	0.00	0.00	0.00	10,811.77	(10,811.77)	(100)
5300 Freight In	0.00	0.00	0.00	0.00	1,176.00	(1,176.00)	(100)
7100 Cost of sales	0.00	0.00	0.00	0.00	44,150.80	(44,150.80)	(100)
5660 Amortization Expense	1,932.00	(1,932.00)	0.00	0.00	2,755.20	(2,755.20)	(100)
7200.102 Amortization on Tangible assets	1,932.00	(1,932.00)	0.00	0.00	2,755.20	(2,755.20)	(100)
5768 Vehicle - Insurance & Registrations	0.00	0.00	0.00	0.00	1,419.00	(1,419.00)	(100)
7200.103 Insurance	0.00	0.00	0.00	0.00	1,419.00	(1,419.00)	(100)
5690 Interest & Bank Charges	78.53	(0.04)	0.00	78.49	146.83	(68.34)	(47)

Generation Steel Inc.
Year End: July 31, 2020
Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/27/2020	KC 10/28/2020		

8001-1

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount Chg	%Chg
5692 Interest & Penalties Non Deductible	75.60	0.00	0.00	75.60	0.00	75.60	0
7200.104 Interest and bank charges	154.13	(0.04)	0.00	154.09	146.83	7.26	5
5625 Business Fees & Licenses	0.00	0.00	0.00	0.00	76.00	(76.00)	(100)
5700 Office Supplies	0.00	0.00	0.00	0.00	191.38	(191.38)	(100)
7200.107 Office expenses	0.00	0.00	0.00	0.00	267.38	(267.38)	(100)
5610 Accounting & Legal	(390.86)	4,500.00	0.00	4,109.14	4,071.41	37.73	1
7200.108 Professional fees	(390.86)	4,500.00	0.00	4,109.14	4,071.41	37.73	1
5760 Rent	114,276.81	5,247.00	0.00	119,523.81	120,000.00	(476.19)	0
7200.110 Rent	114,276.81	5,247.00	0.00	119,523.81	120,000.00	(476.19)	0
5790 Utilities	37,449.67	0.00	0.00	37,449.67	55,255.16	(17,805.49)	(32)
7200.116 Utilities	37,449.67	0.00	0.00	37,449.67	55,255.16	(17,805.49)	(32)
4490 Loss/(Gain) on Disposal of Assets	(19,554.36)	1,697.32	0.00	(17,857.04)	0.00	(17,857.04)	0
7410 Other income, gains and losses	(19,554.36)	1,697.32	0.00	(17,857.04)	0.00	(17,857.04)	0
	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
Net Income (Loss)	(132,506.38)			(142,018.66)	(175,365.17)	33,346.51	(19)

Generation Steel Inc.
Year End: July 31, 2020
Adjusting Journal Entries
Date: 8/1/2019 To 7/31/2020

Prepared by	Detail Review	General Review	Tax Review
SMM 10/27/2020	KC 10/28/2020	MS 10/29/2020	

8010

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	7/31/2020	Accrued Professional Fees	2105	6903		1,500.00		
1	7/31/2020	Retained Earnings - Previous Year	3560	6903	1,500.00			
		To adjust opening retained earnings to actual.						
2	7/31/2020	Accrued Professional Fees	2105	ACCT.2105		4,500.00		
2	7/31/2020	Accounting & Legal	5610	ACCT.2105	4,500.00			
		To adjust accounting fee accrual to actual.						
3	7/31/2020	Accum. Amort. -Vehicle	1845	5504	1,449.00			
3	7/31/2020	GST Payable Receiver General	2336	5504		1,214.28		
3	7/31/2020	Loss/(Gain) on Disposal of Assets	4490	5504	1,697.32			
3	7/31/2020	Amortization Expense	5660	5504		1,932.00		
3	7/31/2020	Interest & Bank Charges	5690	5504		0.04		
		To adjust amortization and gain accounts for truck disposal.						
6	7/31/2020	Cash to be deposited	1020	5002	5,438.84			
6	7/31/2020	Due To/From Ellis Fabrications Inc	2660	5002		5,438.84		
		To clear cash to be deposited account.						
7	7/31/2020	Accounts Payable	2100	5002		2,000.00		
7	7/31/2020	Due To/From Ellis Fabrications Inc	2660	5002	2,000.00			
		To reverse SSAB payment not actually made.						
8	7/31/2020	GST/HST Paid on Purchases	2315			5,247.00		
8	7/31/2020	Rent	5760		5,247.00			
		To reverse GST already claimed.						
					21,832.16	21,832.16		
		Net Income (Loss)	(142,018.66)					



CLIENT'S COPY

CLIENT: Generation Steel Inc.

YEAR END: July 31, 2020

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Signatures: An authorized signing officer should complete the certification section of the original copies (enclosed) of each of the following forms:

<u>Form</u>	<u>Description</u>
T183	Information Return for Electronic Filing

Filing The T2 is required to be filed electronically. Please return a signed T183 Information Return for Electronic Filing form to us so that we may transmit the return.

Payment of Tax	Tax payments (refunds) for the current year are due as follows:	<u>Payable</u>	<u>Refund</u>
	Federal (payable to Receiver General for Canada)	\$ <u> - </u>	\$ <u> - </u>
	Alberta Provincial (payable to Government of Alberta)	\$ <u> - </u>	\$ <u> - </u>

Tax Instalments Based on your company's income for the July 31, 2020 fiscal year end, instalments for the fiscal year ended July 31, 2021 are

Not required Required as shown on the attached schedule (subject to any payments which have been made to date)

Other Copies of the required returns and related schedules are enclosed for your records. The returns have been prepared from information and records you have supplied, and should be reviewed by you for completeness before filing.

T2 Corporation Income Tax Return

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 80785 5770 RC0001

Corporation's name

002 Generation Steel Inc.

Address of head office

Has this address changed since the last time we were notified? 010 Yes No

If yes, complete lines 011 to 018.

011 4207 53 Street Close

012 City Province, territory, or state
015 Innisfail 016 AB

017 Country (other than Canada) 018 T4G 1P9
Postal or ZIP code

Mailing address (if different from head office address)

Has this address changed since the last time we were notified? 020 Yes No

If yes, complete lines 021 to 028.

021 c/o
022
023 City Province, territory, or state

025 Country (other than Canada) 026
Postal or ZIP code

027 028

Location of books and records (if different from head office address)

Has this address changed since the last time we were notified? 030 Yes No

If yes, complete lines 031 to 038.

031
032 City Province, territory, or state

035 Country (other than Canada) 036
Postal or ZIP code

037 038

040 Type of corporation at the end of the tax year (tick one)

- 1 Canadian-controlled private corporation (CCPC)
- 2 Other private corporation
- 3 Public corporation
- 4 Corporation controlled by a public corporation
- 5 Other corporation (specify)

If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day

To which tax year does this return apply?

Tax year start Tax year-end
Year Month Day Year Month Day
060 2019-08-01 061 2020-07-31

Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060?

063 Yes No

If yes, provide the date control was acquired 065 Year Month Day

Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)?

066 Yes No

Is the corporation a professional corporation that is a member of a partnership?

067 Yes No

Is this the first year of filing after:

Incorporation? 070 Yes No
Amalgamation? 071 Yes No

If yes, complete lines 030 to 038 and attach Schedule 24.

Has there been a wind-up of a subsidiary under section 88 during the current tax year?

072 Yes No

If yes, complete and attach Schedule 24.

Is this the final tax year before amalgamation?

076 Yes No

Is this the final return up to dissolution?

078 Yes No

If an election was made under section 261, state the functional currency used

079

Is the corporation a resident of Canada? 080 Yes No
If no, give the country of residence on line 081 and complete and attach Schedule 97.

081

Is the non-resident corporation claiming an exemption under an income tax treaty?

082 Yes No

If yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 Exempt under paragraph 149(1)(e) or (l)
- 2 Exempt under paragraph 149(1)(j)
- 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019)
- 4 Exempt under other paragraphs of section 149

Do not use this area

095 096 898

Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	T 1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T 1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T 1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T 1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T 1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T 1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T 1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?		332999 All Other Miscellaneous Fabricated Metal Product Manufacturing	
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Steel resale	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	-144,697	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331		
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
		a	
		Subtotal	B
		Subtotal (amount A minus amount B) (if negative, enter "0")	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z
Taxable income for the year from a personal services business			Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
1.	490	500	505
Total		510	515

Notes:

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula $A - B$, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	_____	B
Amount 13K from Part 13 of Schedule 27	_____	C
Personal services business income	432	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	_____	E
Aggregate investment income from line 440 on page 6*	_____	F
Subtotal (add amounts B to F)	_____	G
Amount A minus amount G (if negative, enter "0")	_____	H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % _____ I
Enter amount I on line 638 on page 8.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	_____	K
Amount 13K from Part 13 of Schedule 27	_____	L
Personal services business income	434	M
Subtotal (add amounts K to M)	_____	N
Amount J minus amount N (if negative, enter "0")	_____	O

General tax reduction – Amount O multiplied by 13 % _____ P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 **440** x 30 2 / 3 % = A

Foreign non-business income tax credit from line 632 on page 8 B

Foreign investment income from Schedule 7 **445** x 8 % = C

Subtotal (amount B minus amount C) (if negative, enter "0") **▶** D

Amount A minus amount D (if negative, enter "0") **=====** E

Taxable income from line 360 on page 3 F

Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least G

Foreign non-business income tax credit from line 632 on page 8 x 75 / 29 = H

Foreign business income tax credit from line 636 on page 8 x 4 = I

Subtotal (add amounts G to I) **▶** J

Subtotal (amount F minus amount J) (if negative, enter "0") **=====** K x 30 2 / 3 % = L

Part I tax payable minus investment tax credit refund (line 700 minus line 780 from page 9) **=====** M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450** **=====** N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year **460**

Dividend refund for the previous tax year **465**

Subtotal (line 460 minus line 465) **▶** O

Refundable portion of Part I tax from line 450 above P

Total Part IV tax payable from Schedule 3 Q

Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary **480**

Subtotal (amount P plus amount Q plus line 480) **▶** R

Refundable dividend tax on hand at the end of the tax year – Amount O plus amount R **485** **=====**

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 x 38 1 / 3 % = S

Refundable dividend tax on hand at the end of the tax year from line 485 above **=====** T

Dividend refund – Amount S or T, whichever is less **=====** U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460		
Dividend refund for the previous tax year	465		
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480		
Subtotal (line 460 minus line 465 plus line 480)			A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)			B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)			C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)			D
Subtotal (amount C minus amount D) (if negative, enter "0")			E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")			F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)			G
Subtotal (amount F plus amount G)			H
Amount H multiplied by 38 1 / 3 %			I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520		J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535		K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)			L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)			M
Subtotal (amount L plus amount M)			N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525		O
ERDTOH dividend refund for the previous tax year	570		P
Refundable portion of Part I tax (from line 450 on page 6)			Q
Part IV tax before deductions (amount 2A from Schedule 3)			R
Part IV tax allocated to ERDTOH (amount N)			S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)			T
Subtotal (amount R minus total of amounts S and T)			U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540		V
NERDTOH dividend refund for the previous tax year	575		W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)			X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")			Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545		Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")			
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530		

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)			AA
ERDTOH balance at the end of the tax year (line 530)			BB
Eligible dividend refund (amount AA or BB, whichever is less)			CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)			DD
NERDTOH balance at the end of the tax year (line 545)			EE
Non-eligible dividend refund (amount DD or EE, whichever is less)			FF
Amount DD minus amount EE (if negative, enter "0")			GG
Amount BB minus amount CC (if negative, enter "0")			HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)			II
Dividend refund* – Amount CC plus amount FF plus amount II			JJ
Enter amount JJ on line 784 on page 9.			

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % **550** _____ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business **555** _____ x 5 % = **560** _____ B

Recapture of investment tax credit from Schedule 31 **602** _____ C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 _____ D

Taxable income from line 360 on page 3 _____ E

Deduct:
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least _____ F

Net amount (amount E **minus** amount F) _____ **▶** _____ G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G **604** _____ H

Subtotal (**add** amounts A, B, C, and H) _____ I

Deduct:
Small business deduction from line 430 on page 4 _____ J

Federal tax abatement **608** _____

Manufacturing and processing profits deduction from Schedule 27 **616** _____

Investment corporation deduction **620** _____

Taxed capital gains **624** _____

Federal foreign non-business income tax credit from Schedule 21 **632** _____

Federal foreign business income tax credit from Schedule 21 **636** _____

General tax reduction for CCPCs from amount I on page 5 **638** _____

General tax reduction from amount P on page 5 **639** _____

Federal logging tax credit from Schedule 21 **640** _____

Eligible Canadian bank deduction under section 125.21 **641** _____

Federal qualifying environmental trust tax credit **648** _____

Investment tax credit from Schedule 31 **652** _____

Subtotal _____ **▶** _____ K

Part I tax payable – Amount I **minus** amount K _____ L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700	_____
Part II surcharge payable from Schedule 46	708	_____
Part III.1 tax payable from Schedule 55	710	_____
Part IV tax payable from Schedule 3	712	_____
Part IV.1 tax payable from Schedule 43	716	_____
Part VI tax payable from Schedule 38	720	_____
Part VI.1 tax payable from Schedule 43	724	_____
Part XIII.1 tax payable from Schedule 92	727	_____
Part XIV tax payable from Schedule 20	728	_____

Total federal tax _____

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** AB
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial or territorial tax payable (except Quebec and Alberta) **760** _____
Total tax payable **770** _____ A

Deduct other credits:

Investment tax credit refund from Schedule 31	780	_____
Dividend refund from amount U on page 6 or JJ on page 7	784	_____
Federal capital gains refund from Schedule 18	788	_____
Federal qualifying environmental trust tax credit refund	792	_____
Canadian film or video production tax credit (Form T1131)	796	_____
Film or video production services tax credit (Form T1177)	797	_____
Canadian journalism labour tax credit from Schedule 58	798	_____
Tax withheld at source	800	_____

Total payments on which tax has been withheld **801** _____
Provincial and territorial capital gains refund from Schedule 18 **808** _____
Provincial and territorial refundable tax credits from Schedule 5 **812** _____
Tax instalments paid **840** _____
Total credits **890** _____ B

Refund code **894** _____ Refund _____

Balance (amount A minus amount B) _____

If the result is negative, you have a **refund**.
If the result is positive, you have a **balance owing**.
Enter the amount on whichever line applies.
Generally, we do not charge or refund a difference of \$2 or less.

Balance owing _____

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start Change information **910** _____
Branch number

914 _____ **918** _____
Institution number Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** S7047

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, **950** Foley Last name **951** James First name **954** Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2020-10-29 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (403) 227-1001 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes No

958 _____ Name of other authorized person **959** _____ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. **990** 1 2

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name Generation Steel Inc.	Business number 80785 5770 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 **-142,019** A

Add:

Interest and penalties on taxes	103	<u>76</u>	
Recapture of capital cost allowance from Schedule 8	107	<u>15,103</u>	
Subtotal of additions		15,179	15,179

Other additions:

Miscellaneous other additions:

1 Description	2 Amount		
605	295		
Total of column 2		296	
		199	<u>0</u>
Subtotal of other additions			0 D
Total additions		500	<u>15,179</u>

Amount A plus line 500 **-126,840** B

Deduct:

Gain on disposal of assets per financial statements	401	<u>17,857</u>	
Subtotal of deductions		17,857	17,857

Other deductions:

Miscellaneous other deductions:

1 Description	2 Amount		
705	395		
Total of column 2		396	
		499	<u>0</u>
Subtotal of other deductions			0 E
Total deductions		510	<u>17,857</u>

Net income (loss) for income tax purposes (amount B minus line 510) **-144,697** C

Enter amount C on line 300 of the T2 return.

Corporation Loss Continuity and Application

Corporation's name Generation Steel Inc.	Business number 80785 5770 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes -144,697 A

Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) a _____

Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) b _____

Amount of Part VI.1 tax deductible under paragraph 110(1)(k) c _____

Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) d _____

Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e) 1d _____

Subtotal (total of amounts a to 1d) B

Subtotal (amount A **minus** amount B; if positive, enter "0") -144,697 C

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions D _____

Subtotal (amount C **minus** amount D) -144,697 E

Add: (decrease a loss)

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) F _____

Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") -144,697 G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year 287,402 e

Deduct: Non-capital loss expired (note 1) **100** f _____

Non-capital losses at the beginning of the tax year (amount e **minus** amount f) **102** 287,402 ▶ 287,402 H

Add:

Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation **105** g _____

Current-year non-capital loss (from amount G) **110** 144,697 h

Subtotal (amount g **plus** amount h) 144,697 ▶ 144,697 I

Subtotal (amount H **plus** amount I) 432,099 J

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)		K
Non-capital losses before any request for a carryback (amount J minus amount K)		432,099 L

Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)		180 432,099 N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		B
Subtotal (amount A minus amount B)		C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 210 D

Unused non-capital losses that expired in the tax year (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000		220 E
Subtotal (total of amounts C to E)		F

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) **225** _____ G
 Capital losses before any request for a carryback (amount F **minus** amount G) _____ H

Deduct – Request to carry back capital loss to (note 7):

	Capital gain (100%)	Amount carried back (100%)	
First previous tax year	951	_____	h
Second previous tax year	952	_____	i
Third previous tax year	953	_____	j
	Subtotal (total of amounts h to j) _____		I
	Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) 280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year _____ a
Deduct: Farm loss expired (note 8) **300** _____ b
 Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** _____ A

Add:

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation ... **305** _____ c
 Current-year farm loss (amount F in Part 1) **310** _____ d
 Subtotal (amount c **plus** amount d) _____ B
 Subtotal (amount A **plus** amount B) _____ C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** _____ e
 Section 80 – Adjustments for forgiven amounts **340** _____ f
 Farm losses of previous tax years applied in the current tax year **330** _____ g
 Enter amount g on line 334 of the T2 Return.
 Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9) **335** _____ h
 Subtotal (total of amounts e to h) _____ D
 Farm losses before any request for a carryback (amount C **minus** amount D) _____ E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	_____	i
Second previous tax year to reduce taxable income	922	_____	j
Third previous tax year to reduce taxable income	923	_____	k
First previous tax year to reduce taxable dividends subject to Part IV tax	931	_____	l
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	_____	m
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	_____	n
	Subtotal (total of amounts i to n) _____		F
	Closing balance of farm losses to be carried forward to future tax years (amount E minus amount F) 380		G

Note 8: A farm loss expires as follows:
 • after **10** tax years if it arose in a tax year ending before 2006; and
 • after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
(amount A above _____ – \$2,500) divided by 2 = _____ a		
Amount a or \$ 15,000 (note 10), whichever is less		b
	2,500	c
Subtotal (amount b plus amount c)	2,500	B
Current-year restricted farm loss (amount A minus amount B)		C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		d
Deduct: Restricted farm loss expired (note 11)	400	e
Restricted farm losses at the beginning of the tax year (amount d minus amount e)	402	D
Add:		
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405	f
Current-year restricted farm loss (from amount C)	410	g
Enter amount g on line 233 of Schedule 1, <i>Net Income (Loss) for Income Tax Purposes</i> .		
Subtotal (amount f plus amount g)		E
Subtotal (amount D plus amount E)		F

Deduct:

Restricted farm losses from previous tax years applied against current farming income	430	h
Enter amount h on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	i
Other adjustments	450	j
Subtotal (total of amounts h to j)		G
Restricted farm losses before any request for a carryback (amount F minus amount G)		H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	k
Second previous tax year to reduce farming income	942	l
Third previous tax year to reduce farming income	943	m
Subtotal (total of amounts k to m)		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I)	480	J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year a
Deduct: Listed personal property loss expired after 7 tax years **500** b
Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **A**
Add: Current-year listed personal property loss (from Schedule 6) **510** **B**
Subtotal (amount A **plus** amount B) **C**

Deduct:
Listed personal property losses from previous tax years applied against listed personal property gains **530** c
Enter amount c on line 655 of Schedule 6.
Other adjustments **550** d
Subtotal (amount c **plus** amount d) **D**
Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) **E**

Deduct – Request to carry back listed personal property loss to:
First previous tax year to reduce listed personal property gains **961** e
Second previous tax year to reduce listed personal property gains **962** f
Third previous tax year to reduce listed personal property gains **963** g
Subtotal (total of amounts e to g) **F**
Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** **G**

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620

1.

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

1.

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680

1.

Total (enter this amount on line 335 of the T2 return)

Note

If you need more space, you can attach more schedules.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box

190

Yes

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A	144,697			N/A		144,697
1st preceding taxation year 2019-07-31	172,609	N/A		N/A			172,609
2nd preceding taxation year 2018-07-31	1,961	N/A		N/A			1,961
3rd preceding taxation year 2017-07-31	97,963	N/A		N/A			97,963
4th preceding taxation year 2016-07-31	12,828	N/A		N/A			12,828
5th preceding taxation year 2015-07-31	764	N/A		N/A			764
6th preceding taxation year 2014-07-31	1,277	N/A		N/A			1,277
7th preceding taxation year 2013-07-31		N/A		N/A			
8th preceding taxation year 2012-07-31		N/A		N/A			
9th preceding taxation year 2011-07-31		N/A		N/A			
10th preceding taxation year 2010-07-31		N/A		N/A			
11th preceding taxation year 2009-07-31		N/A		N/A			
12th preceding taxation year 2008-07-31		N/A		N/A			
13th preceding taxation year 2007-07-31		N/A		N/A			
14th preceding taxation year 2006-07-31		N/A		N/A			
15th preceding taxation year 2005-07-31		N/A		N/A			
16th preceding taxation year 2004-07-31		N/A		N/A			
17th preceding taxation year 2003-07-31		N/A		N/A			
18th preceding taxation year 2002-07-31		N/A		N/A			
19th preceding taxation year 2001-07-31		N/A		N/A			
20th preceding taxation year 2000-07-31		N/A		N/A			*
Total	287,402	144,697					432,099

* This balance expires this year and will not be available next year.

Capital Cost Allowance (CCA)

Corporation's name Generation Steel Inc.	Business number 80785 5770 RC0001	Tax year-end Year Month Day 2020-07-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
200		201	203	225	205	221	222	207	211
1. 10		9,183						24,286	
Totals		9,183						24,286	

1 Class number * See note 1	Description	9 UCC (column 2 plus column 3 plus or minus column 5) minus column 8) See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
200											220
1. 10		-15,103	24,286				30	15,103	0		
Totals		-15,103	24,286					15,103			

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation Generation Steel Inc.	Business Number 80785 5770 RC0001	Tax year end Year Month Day 2020-07-31
--	--------------------------------------	--

- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	100	200	300	400	500	550	600	650	700
Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock	
1. The Generation Corporation		81513 1735 RC0001	1						
2. Groundworks Safety Systems Inc.		80561 3726 RC0001	3						
3. Generation Construction Corp.		86455 2419 RC0001	3						
4. Ellis Fabrications Inc.		87989 7312 RC0001	3						

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area) **025** Year Month Day

Enter the calendar year the agreement applies to **050** Year
2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** Yes No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	Generation Steel Inc.	80785 5770 RC0001	1	500,000	0.5000	2,500
2	The Generation Corporation	81513 1735 RC0001	1	500,000	1.0000	5,000
3	Groundworks Safety Systems Inc.	80561 3726 RC0001	1	500,000	49.0000	245,000
4	Generation Construction Corp.	86455 2419 RC0001	1	500,000	0.5000	2,500
5	Ellis Fabrications Inc.	87989 7312 RC0001	1	500,000	49.0000	245,000
				Total	100.0000	500,000 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula $0.225\% \times (C - \$10,000,000)$. Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Shareholder Information

Corporation's name Generation Steel Inc.	Business number 80785 5770 RC0001	Tax year-end Year Month Day 2020-07-31
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust) 100	Business number (If a corporation is not registered, enter "NR") 200	Social insurance number 300	Trust number 350	Percentage common shares 400	Percentage preferred shares 500
1	The Generation Corporation	81513 1735 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



PREPARING AND FILING THE ALBERTA CORPORATE INCOME TAX RETURN – AT1 AND SCHEDULES

- For taxation years ending after 2000 and before 2008, corporations can file their returns using either the Alberta RSI or the prescribed form AT1 and all applicable schedules.
- For taxation years ending after 2007, corporations can file their returns using one of the following options: AT1 net file return (if the corporation is eligible); or Alberta RSI; or prescribed form AT1 and all applicable schedules.
- For all taxation years ending after 2000, there is no need for the corporation to submit copies of the federal T2 return, the corporation's financial statements or GIF1 with the AT1 return.

REQUIREMENT TO FILE THE AT1 RETURN:

Generally, a corporation must file an Alberta Corporate Income Tax Return if it has a "permanent establishment" in Alberta at any time during that taxation year with the following exceptions:

1. the corporation was a registered charity throughout the taxation year;
 2. the corporation had no tax payable for the taxation year as specified under section 35 of the *Alberta Corporate Tax Act*;
- _____
3. the corporation meets all of the exemption criteria listed below in the taxation year.

EXEMPTION CRITERIA:

Yes	No	
X		1. It is a Canadian-controlled private corporation throughout the taxation year;
X		2. It has permanent establishments only in Alberta throughout the taxation year;
X		3. It has filed a federal T2 return with the Canada Revenue Agency (CRA) and is reporting no taxable income before applying losses carried back from a subsequent year and before deducting any amount relating to the exercise of an option in a subsequent year;
X		4. Its discretionary tax account balances (e.g., undepreciated capital cost, reserves, losses) throughout the year were the same for Alberta purposes as they were for federal purposes. (That is, the corporation has historically reported the same taxable incomes or losses for Alberta purposes as it reported for federal purposes);
X		5. Its gross revenue for the year does not exceed \$500,000;
X		6. It is not claiming a refund of tax instalments;
X		7. It is not claiming the Alberta Scientific Research and Experimental Development (SR & ED) Tax Credit nor is it reporting a recapture of SR & ED;
X		8. It is not claiming the Alberta Qualifying Environmental Trust (QET) Tax Credit or any other credits (line 087 of the AT1 return);
X		9. It is not claiming the Alberta Investor Tax Credit (AITC) or the Capital Investment Tax Credit (CITC) or the Interactive Digital Media Tax Credit (IDMTC) or the Alberta Capital Gains Refund;

If ALL answers to the above statements are "Yes", then the corporation is exempt from filing the Alberta return for the specified taxation year end. Ensure that the identification section below has been completed and **retain this form on your file** for future reference. **Do not mail** this form to TRA. You are not required to send any notification to our office. When you file your federal T2 with the CRA, TRA will receive sufficient information to determine whether the corporation is exempt from filing. If a corporation which originally determined that it was exempt from filing later determines that it was not exempt from filing the Alberta return, it must file the AT1 return within 90 days from the later of the date it determined that it was not exempt and the required filing date.

Corporation Name: Generation Steel Inc.

Alberta Corporate Account Number: 2018265534

Enter your 9 or 10 digit account number

Taxation Year Ending: 2020-07-31

If ANY answer to the above statements is "No", then the corporation is not exempt from filing and must file the Alberta return with TRA within 6 months of the corporation's taxation year end.

GENERATION STEEL INC.



Notice to Reader and Financial Statements
July 31, 2020



RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Generation Steel Inc as at July 31, 2020 and the statement of loss and deficit for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Red Deer County, Alberta

October 27, 2020

RSM ALBERTA LLP

Chartered Professional Accountants

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GENERATION STEEL INC

Balance Sheet

As at July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
ASSETS		
Current assets		
Cash	\$ 12	\$ 133
Accounts receivable	177,398	201,078
Goods and Services Tax receivable	<u>3,226</u>	<u>1,995</u>
	180,636	203,206
Due from Ellis Fabrications Ltd.	2,097,128	2,181,648
Property, plant and equipment	<u>-</u>	<u>6,429</u>
	<u><u>\$ 2,277,764</u></u>	<u><u>\$ 2,391,283</u></u>
LIABILITIES		
Current liability		
Accounts payable and accruals	\$ 2,359,022	\$ 2,456,022
Due to The Generation Corporation	<u>351,774</u>	<u>226,274</u>
	<u><u>2,710,796</u></u>	<u><u>2,682,296</u></u>
SHAREHOLDERS' DEFICIENCY		
Share capital	10	10
Deficit	<u>(433,042)</u>	<u>(291,023)</u>
	<u><u>(433,032)</u></u>	<u><u>(291,013)</u></u>
	<u><u>\$ 2,277,764</u></u>	<u><u>\$ 2,391,283</u></u>

GENERATION STEEL INC

Statement of Loss and Deficit

Year ended July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
Sales	\$ 1,361	\$ 52,701
Cost of sales	<u>-</u>	<u>44,151</u>
Gross margin	<u>1,361</u>	<u>8,550</u>
Expenses		
Rent	119,524	120,000
Utilities	37,450	55,255
Professional fees	4,109	4,071
Interest and bank charges	154	147
Amortization	-	2,755
Insurance	-	1,419
Office	<u>-</u>	<u>267</u>
	<u>161,237</u>	<u>183,914</u>
Loss from operations	(159,876)	(175,364)
Other income		
Gain on sale of property, plant and equipment	<u>17,857</u>	<u>-</u>
Net loss	(142,019)	(175,364)
Deficit, beginning of year	<u>(291,023)</u>	<u>(115,659)</u>
Deficit, end of year	<u>\$ (433,042)</u>	<u>\$ (291,023)</u>



November 12, 2020

PRIVATE AND CONFIDENTIAL

GroundWorks Safety Systems Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1 403 342 5541
F +1 403 347 3766
Writer's Direct Line: (403) 350-2258

ATTENTION: James Foley

Dear James:

We have completed the preparation of the financial statements of GroundWorks Safety Systems Inc. for the fiscal year ended July 31, 2020. An electronic copy of the financial statements is enclosed. Please advise us if you require additional copies.

We have also completed the required federal and provincial tax returns of GroundWorks Safety Systems Inc. for the taxation year ended July 31, 2020.

When you have reviewed the statements and returns and satisfied yourself as to their completeness, you should ensure they are signed, dated and filed with the taxation authorities. Attached to your copy of the tax returns, marked "Client's Copy", is a schedule of filing instructions and other information for your use.

Please be advised that there are no Provincial or Federal taxes payable and because of this, no instalments are required by Canada Revenue Agency.

We also enclose an electronic copy of the adjusting entries and trial balance prepared by us to complete your accounting records. The entries should be posted to your general ledger and retained as part of your accounting records.

Please adjust the balances on your next GST return to reflect the following change:
an increase to GST Input tax credits by \$2,765.10 for the legal fees payable.

An engagement letter for our services is enclosed and is required for our files. Please review the contents and return the signed original to us. An electronic copy is provided for your records.

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We also enclose an electronic copy of the adjusting entries and trial balance prepared by us to complete your accounting records. The entries should be posted to your general ledger and retained as part of your accounting records.

If you have any questions or comments with respect to any of the above, please let us know.

Yours very truly,

RSM ALBERTA LLP

RSM Alberta LLP

Marsha L. Smalle, B.Comm., CPA, CA
Partne

MLS:rs

Encl.



October 20, 2020

Jim Foley
GroundWorks Safety Systems Inc.
4207 53 Street Close
Innisfail, AB T4G 1P9

RSM Alberta LLP
546 Laura Avenue
Red Deer County, AB T4E 0A5
O +1 403.342.5541
F +1 403.342.5542
rsmcanada.com

Dear Jim:

We are pleased that you have chosen to engage RSM Alberta LLP (we, our or us) to provide certain tax services to GroundWorks Safety Systems Inc. and any affiliated persons described in Section 1 below (collectively referred to as you or your). We believe it is important for you to have an understanding of the nature and scope of our tax services so that our services can meet or exceed your expectations. Please take the time to review this Engagement Letter and the related items described below.

This Engagement Letter sets forth the general terms, conditions and limitations governing our client relationship. The Standards of Services described in Section 2 below set forth general standards, terms, conditions and limitations applicable to the scope and nature of the tax services we will provide to you. Each individual project involving our tax services will be described in a Statement of Work as described in Section 3 below. Taken together, the Engagement Letter, the Standards of Services and the Statement(s) of Work will constitute your and our mutual agreement concerning the tax services that we will provide to you.

After you have had an opportunity to review this Engagement Letter and the attached Standards of Services, please sign a copy of this Engagement Letter where indicated below and return the signed letter to us. Please note that handwritten changes to this Engagement Letter, to the Standards of Services or to any Statement of Work will have no legal effect. If you have any questions, please call your RSM engagement partner or team member.

1. Clients for Purposes of this Engagement Letter.

For the purposes of this Engagement Letter and the Standards of Services, our clients will be and the term “you” will refer to: GroundWorks Safety Systems Inc. and any corporations, partnerships, or other business entities that are directly or indirectly owned, controlled or managed by GroundWorks Safety Systems Inc. and which are named or identified in one or more Statements of Work. Our client(s) with respect to any individual Statement of Work will be those entities described in the preceding sentence that are expressly named or clearly described in that Statement of Work. Neither this Engagement Letter, the Standards of Services nor any Statement of Work will create any client relationship between us and (i) any natural person or (ii) any entity other than those described in the two preceding sentences.

2. Standards for Tax Services. (a) Attached to this Engagement Letter is a copy of the “Standards of Services in Tax Matters for Business Taxpayers” (the Standards of Services). These Standards of Services

describe certain customary practices that we will employ in delivering tax services to you. These standards are based in part on the requirements of applicable law and professional standards, and we have found that they allow us to provide our services in a cost effective manner that meets our clients’ expectations in most tax engagements.

(b) We will be happy to consider expanding or modifying the scope of our services beyond those described in the Standards of Services, but any expansion or modification must be consistent with applicable laws and professional standards and must be clearly set forth in a Statement of Work. Therefore, except as provided in Section 3(b), the Standards of Services will apply to the performance of our services relating to tax return preparation, tax advice, planning and consultation, representation in any audit, administrative appeal or other tax controversy matter, accounting for income taxes, preparation of foreign information returns, or any other Federal, Provincial, or foreign tax matter.

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(c) We may supplement or revise the Standards of Services from time to time, in which case we will provide you with a copy of the supplemented or revised Standards of Services in electronic or paper format. The supplemented or revised Standards of Services will apply to all services under any Statement of Work entered into on or after the date on which we deliver supplemented or revised Standards of Services to you.

3. Statements of Work. (a) All tax services to be performed by us and the determination of the amount of our fees relating to those services must be described in a Statement of Work. Each Statement of Work will (i) provide details on the nature of the work and any expected deliverable and (ii) provide the basis for determining the amount of our fees and the time for invoicing and payment of our fees. Subject to Section 3(b), each Statement of Work will be subject to this Engagement Letter and the Standards of Services. Our services will be limited to the services specifically described in that Statement of Work. Our agreement to perform services under any particular Statement of Work does not obligate us to perform any other services under any other Statement of Work.

(b) A Statement of Work may modify any provision of this Engagement Letter, but only if that Statement of Work is signed by both you and us. A Statement of Work may modify the Standards of Services, but only if that Statement of Work is signed by both you and us. Any modification of the terms of this Engagement Letter or of the Standards of Services must be clearly and unambiguously expressed in the Statement of Work. Any modifications contained in a Statement of Work will apply only to that particular Statement of Work.

(c) We may provide you with a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted the Statement of Work unless you notify us in writing of any objections within 15 business days following your receipt of the Statement of Work.

(d) A Statement of Work may be amended or superseded, in which case we will provide you with an amendment to or a restatement of a Statement of Work either in paper or in electronic format. Subject to the signature requirements in Section 3(b), you will be deemed to have accepted amendment or restatement unless you notify us in writing of any objections within 15 business days following your receipt of the amendment or restatement.

(e) A Statement of Work will be deemed to have been completed upon the earliest of (i) our mutual agreement that the Statement of Work has been completed, (ii) 90 days following the completion of services and delivery to you of all deliverables described in that Statement of Work or (iii) the passing of 365 consecutive days during which we perform no services with respect to that Statement of Work.

4. Your Responsibilities. (a) In order for us to provide effective services, you must cooperate with us and provide us with any information that we request at the times and in the format that we request. You must cause your employees and contractors to cooperate fully and timely with us. You must designate for us a person authorized to make or obtain all management decisions with respect to our services on a timely basis. We will rely in good faith on all information and management decisions communicated to us by you, your employees or your contractors, and we will not be responsible for any loss or other obligation arising from that reliance. Any failure to fulfill your responsibilities may adversely affect our ability to provide our tax services and will be grounds for our suspending or terminating our services.

(b) If you do not respond to a request from us for information by the date specified in the Statement of Work or in our request for information, or if you provide us with incomplete information, we may use alternative procedures to obtain information necessary for us to provide you with the tax services in accordance with the applicable Statement of Work. However, if we use alternative procedures due to your failure to timely and completely respond to a request, then we will not be responsible for any error or omission that could have been avoided had you timely and completely responded to our request for information. In addition, if you do not timely respond to a request for information or if you provide us with incomplete information, our fees for services may be higher than as set forth in the applicable Statement of Work.

5. Requests for Services. In responding to requests for services made by your officers, managers, employees or agents, we will presume that all requests have been authorized by your internal procedures. If you wish to limit the individuals who can request services, you must notify us of any limitations in writing.

6. Fee Arrangements. Except to the extent provided by a particular Statement of Work, our fees will be based on the time required for work performed, the complexity of any technical issues addressed, the need to confirm information or to perform accounting

work as a precondition to our services, the impact of deadlines and any delays in receiving necessary information from you or from third parties. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns.

7. Billing and Payment; Suspension of Services.

(a) Except to the extent provided by a particular Statement of Work, our fees and expenses will be billed on a regular basis. If we are entitled to bill you for certain direct expenses and at the time of our invoice to you we have not received a third party bill for any such expenses, then we may at our option (i) include a reasonable, good faith estimate of the amount of those expenses on our invoice or (ii) send one or more separate invoices for those expenses following our receipt of the third party bill. Each invoice is payable upon receipt of the invoice. If you believe that any invoice is incorrect or if you wish to dispute any invoice, you must notify us in writing within 60 days of your receipt of the invoice. We reserve the right to charge interest on the undisputed portion of any invoice that is not paid within 60 days of your receipt of that invoice.

(b) If you fail to pay any invoice when due, we reserve the right (if permitted by applicable law and professional standards) to withhold any tax return, Tax Advice, other deliverable, document or file until your account is paid in full or you have made other payment arrangements satisfactory to us. In addition, if you fail to pay any invoice when due we reserve the right to suspend performance of our services until your account is paid in full or you have made other payment arrangements satisfactory to us. Our suspension of services will not affect your obligations to us under this Engagement Letter, the Standards of Services or any Statement of Work.

8. Confidentiality. (a) We will maintain the confidentiality of your Confidential Information, subject to the provisions of this section. Except as provided in the following sentence, "Confidential Information" means (i) information contained in your internal financial and business records, (ii) information reported on your tax returns, (iii) Personal Information as defined in Section 8(b) and (iv) other information concerning you or your business that is marked "confidential" or otherwise identified as "confidential" in

writing at the time of disclosure. Confidential Information does not include information (x) that is or becomes publicly available or generally known to persons in your industry without breach of our obligations under this section or (y) received by us after the termination of this Engagement Letter.

(b) Personal Information is data about an identifiable individual where there is a serious possibility that an individual could be identified through the use of that information, alone or in combination with other information, including, but not limited to, information such as social insurance numbers, driver's license numbers or provincially-issued identification card numbers, health information, and other personal information as defined by applicable laws.

(c) To protect your Confidential Information, you agree that you will not disclose any Confidential Information to us except as we request or as necessary for us to provide our services. Additionally, you agree that you will not (i) transmit to us, in any manner, Personal Information that is not necessary for us to provide our services or (ii) transmit to us Personal Information in an unencrypted format or via an unencrypted means. Notwithstanding the foregoing, in the event you transmit to us Personal Information in an unencrypted format or via an unencrypted means, we will accept the information required for us to provide our services and we will have no obligation to notify you. We will use commercially reasonable precautions to protect your Confidential Information, including appropriate technical, administrative, and organizational safeguards but we will have no obligation to employ any measures that are more restrictive than you regularly employ. (d) You agree that you will provide all notices and obtain any consents required under applicable laws prior to your collection, use and disclosure to us of any Personal Information, and you will take reasonable steps to ensure that any Personal Information that you provide to us does not include irrelevant or unnecessary information about any individuals.

(d) We may disclose your Confidential Information to our partners, principals, employees and third party contractors as necessary to provide our services, including without limitation the disclosures authorized by Section 15. Without limiting the foregoing, we may in certain circumstances disclose your Confidential Information to software vendors for the purpose of obtaining technical support in the course of providing services to you, but it is our policy to require these vendors to maintain the confidentiality of Confidential Information disclosed to them. We may also disclose Confidential Information if required by a court or

governmental agency, but we will use commercially reasonable efforts to inform you prior to disclosure to the extent permitted by law.

(e) We will use Personal Information provided by you, (if any) only for the purposes described in this Engagement Letter or any Statement of Work. As part of the performance of services for you under this Engagement Letter and as part of our direct business relationship with you, we may use Confidential Information to enhance our services, conduct data analytics, conduct market or other similar analysis, or for other similar business purposes. In addition, we may use your Confidential Information provided to us for the purpose of creating benchmarking data to be used by our professionals and shared with other clients. Any such benchmarking data will be in a format that users are unable to associate the information with any specific source. Additionally, in performing any services under a Statement of Work, we may arrange for one or more RSM Network Firms or third party contractors to provide services to you. In the event our services involve Personal Information collected in Canada, we, our third party contractors or RSM Network Firms performing the services may store, transfer and process such Personal Information in locations and on servers located outside of Canada, including jurisdictions such as the United States whose data protection laws differ from those of Canada. As a result, such Personal Information may be subject to access requests from governments, courts, or law enforcement in those jurisdictions, including the United States, according to the laws in those jurisdictions. Subject to applicable laws in such other jurisdictions, we will use reasonable efforts to ensure that appropriate protections are in place to require third party contractors and RSM Network Firms to maintain protections on Personal Information collected in Canada that are equivalent to those that apply in Canada.

9. Data Protection Compliance; Third Party Products. (a) RSM's Privacy Policy (the Privacy Policy) is located on RSM's website at <https://rsmCanada.com/who-we-are/privacy-policy.html>. The Privacy Policy may be amended or terminated from time to time in our sole discretion and without prior notice. You acknowledge that you have read and understand the Privacy Policy and agree to the practices as described therein.

(b) You agree that prior to disclosure of the following Confidential Information to us, including without limitation Personal Information, you will identify any personal, technical or other data provided to us pursuant to this Engagement Letter that may be

subject to heightened protections under applicable privacy, cybersecurity or data protection laws, including but not limited to personal health information or financial information, prior to any transfer or disclosure to us. Upon your written request, we will discuss with you in good faith entering into a mutually acceptable agreement relating to the lawful cross-border transfer and processing of your Personal Information.

(c) We and you may also correspond or convey information and documentation, including Confidential Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, as defined in Section 9(d), such as email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and you acknowledge that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure or use, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect your Confidential Information. We offer our clients various platforms for the exchange of information which may require additional user terms and conditions which will be made available to you prior to the use of such platform (whether by a link, click-through, or otherwise). You hereby agree that you will be bound by and comply with any and all user terms and conditions made available with respect to the platforms. If you are concerned about the security of particular information, please contact us to discuss alternative arrangements.

(d) We may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, Third Party Products).

(e) You acknowledge that your or our usage of a Third-Party Product may involve the input, movement, transfer and storage of your data or Confidential Information within the infrastructure provided by the Third-Party Product, and that the terms of use and service set forth in the end user licensing agreement or other agreements with the licensor of a Third-Party Product will govern all obligations of the licensor relating to data privacy, storage, recovery, security, and processing within a Third-Party Product's

infrastructure, as well as, the service levels associated with a Third-Party Product.

(f) You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. You agree that we will not be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including without limitation any Confidential Information, resulting from your or our use of a Third-Party Product.

10. Privilege Considerations. In certain circumstances, information that you disclose to us could be the subject of a claim of privilege, but you must generally assert and maintain the privilege claim. Claims of privilege involve considerations of law other than tax law, as well as the costs of asserting a privilege. You should contact your legal counsel if you have questions concerning the availability of any privilege or how and whether to assert a privilege.

11. Use of Information in or from Accounting and Attest Services. (a) If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, information from or relating to your tax returns may be relevant to financial statement reporting or to other accounting or attest services. If at any time you engage us to provide you with audit, review, compilation or other accounting or attest services, (i) we may use and rely on any information that we obtain in such an engagement in performing any tax services to which this Engagement Letter relates and (ii) you authorize us to use your tax returns and any information we receive or develop in providing tax services in performing these audit, review, compilation or other accounting or attest services.

(b) Financial statement audits and reviews are not designed or intended to examine or address every potential income or other tax issue. Even if you engage us to perform any audit, review, compilation or other accounting or attest services, we may still rely on information in the manner provided in this Engagement Letter, the Standards of Services and any applicable Statement of Work.

12. Limited Disclosure of Information for Evaluating Independence. RSM Alberta LLP is a member of RSM International, a network of

independent accounting firms. Professional standards require us to evaluate auditor independence taking into consideration both our services to you and your affiliates and any services to you and your affiliates performed by other member firms of RSM International. To permit us to comply with these independence rules, you agree that we may disclose to and discuss with RSM International and its member firms (i) the name of any entity that is or could become a "client" under Section 1, (ii) any ownership relationship between that entity and any natural person or other entity, and (iii) the nature of the services that we perform. The disclosure of information authorized by this section will be solely for the purpose of evaluating independence of RSM Alberta LLP and other RSM International firms under applicable professional standards.

13. Confirmation of Management Responsibility. Professional rules concerning auditor independence require that we confirm your overall responsibility for evaluating our services under any Statement of Work, and a failure to confirm your management responsibility could affect our independence. You have indicated that Jim Foley will exercise all management responsibility for overseeing our services under any Statement of Work, for evaluating the adequacy and accepting the results of our services and for making all management decisions with respect to our services. You may from time to time designate another individual to exercise this management authority by written notice to us, but in no event can you designate an individual who is a partner, principal or employee of any member firm of RSM International, including RSM Alberta LLP. By designating an individual to exercise this management authority, you are representing to us that such individual has the necessary skill, knowledge and experience to understand, evaluate and oversee our services.

14. Independent Contractor. For all tax services that we perform, we will be an independent contractor and not your employee, agent or partner, and we will determine the method, details and means of performing our services. We assume full and sole responsibility for the payment of all compensation and expenses of our employees and for all of their applicable employee withholdings. You will retain all authority to oversee and evaluate our services under any Statement of Work and to make all decisions with respect to the tax return reporting of any item or any matter that is the subject of our advice.

15. Engagement of Other Parties. In performing any tax services, we may engage the services of other domestic tax preparers, including seasonal preparers,

independent contractors or other third party personnel. By engaging us, you authorize us to allow such third parties access to your files, financial information and other confidential information subject to the provisions of Section 8. Our engagement of any third party does not affect our obligations to you.

16. Conflicting Engagements. If at any time we determine in our sole discretion that a conflict of interest exists that prevents us from providing our services in accordance with applicable ethical rules, we will notify you of the conflict and we may withdraw from representing you to the extent that such withdrawal is required or permitted by applicable ethical rules.

17. Newsletters and Similar Communications. We may as a courtesy from time to time send newsletters, emails, explanations of tax law developments or similar communications to selected clients, former clients or other interested parties. These communications are of a general nature, are not definitive advice and are not intended to be relied upon in any transaction or any tax position. We do not send all such communications to all clients, former clients or interested parties. These newsletters do not establish or continue a client relationship with any person and they do not constitute an undertaking on our part to monitor tax or other issues for you or for any other parties. Pursuant to Canada's Anti-Spam Legislation ("CASL"), we seek your consent on your own behalf and on behalf of your employees to utilize electronic messages to communicate with you for the delivery of services and to receive newsletters, marketing materials and other information about our services. We seek your consent on behalf of RSM Alberta LLP, RSM Alberta Consulting LP, RSM Alberta Corporate Finance Inc., and RSM Alberta Limited. By signing below, you have consented to our use of your contact information to send you such newsletters or other communications. You may opt in to receive certain newsletters or other communications, and you may also opt out of receiving any communications that are unrelated to our services by notifying us in the manner described in the particular communication or by contacting the RSM professional responsible for your services.

18. Intellectual Property Rights. We will deliver to you the tax returns, tax advice or other deliverables expressly enumerated in the applicable Statement of Work, subject to the terms of this Engagement Letter, the Standards of Services and the Statements of Work. These deliverables may be provided to you in paper or electronic format. Except as expressly stated in the applicable Statement of Work, we will have no

obligation to provide any deliverable in an electronic format that is capable of being modified or edited. All our work product and files will remain our property and we retain all copyrights and other intellectual property rights with respect to our work product.

19. Documents and Files. (a) Our files are generally maintained in electronic format. If you provide us with a paper document, we will generally scan that document to electronic format and discard the paper version. Accordingly, you should not provide us with any paper document that you wish to retain in paper format.

(b) Upon your written request, we will return to you copies of all documents then in our possession that were provided to us by you or on your behalf in connection with the performance of our services. If required by applicable law or professional standards, we will also provide to you upon your written request copies of other documents or records relating to our services. The documents and records we provide to you may be provided in paper or electronic format. We will have no obligation to provide any document or record in an electronic format that is capable of being modified or edited. We may retain copies of these documents and records for our files.

(c) We, in our sole discretion, may provide you with access to or copies of other documents or workpapers in any format (including an updatable electronic format) beyond what is required by the applicable professional standards or codes of conduct, but you will be obligated to pay all costs associated with such access or copies.

20. Document Production and Testimony. If we are requested or authorized by you, or if we are required by government regulation, subpoena or other legal process, to produce any documents or files, or to make our personnel available as witnesses with respect to any engagement, you will (so long as we are not a party to the proceeding in which the information is sought) pay us for our time and expenses, as well as the reasonable fees and expenses of our counsel, incurred in responding to such requests.

21. Record Retention. (a) Our current policy (which we may revise at any time and in our sole discretion) is to retain copies of tax returns and certain related workpapers for six years after the return is filed, subject to casualties beyond our control. We provide our clients with a file copy of each income tax return and we recommend that you retain copies of all returns.

(b) Although taxpayers are not generally required to retain their tax records for longer than six years, there

are situations in which tax returns older than six years may contain information useful in future tax planning or may be subject to reassessment or audit. For example, prior year returns may contain information relating to tax elections or to the basis of assets for gain/loss calculations, and corporations may use tax return information in calculating "safe income" for corporate tax planning. We recommend that taxpayers consider maintaining separate accounting records or workpapers with this information, and we will not maintain these separate records except as expressly described in a Statement of Work. If you would like us to assist you in developing these separate records, please contact us to discuss the scope of such a project.

(c) It may also be advisable to retain accounting or tax records for longer than six years for reasons unrelated to taxes. Decisions regarding document retention may involve a variety of legal considerations (e.g. statutes of limitations, rules of evidence), so you may wish to consult your legal counsel to address these legal considerations.

22. Uncontrollable Delays. The time for performance of any of your or our obligations (other than the obligation to pay money due) will be extended for a reasonable time in the event of causes beyond your or our reasonable control, including without limitation acts of God, war, acts of government, fire, flood, epidemic, pandemic or outbreaks of communicable disease, riot, strike or labor problems, sabotage, internet or other system or network outages, cyberattacks, delays in obtaining labor, materials, equipment or transportation or other similar causes beyond the control of either party

23. Warranty and Limitation. We warrant that our services will be performed with reasonable care in a diligent and competent manner in accordance with the professional standards for tax services applicable to the individuals providing those services. **THIS IS OUR ONLY WARRANTY CONCERNING OUR SERVICES AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ALL OF WHICH ARE HEREBY DISCLAIMED.**

24. Disclaimer of Legal and Investment Advice. Our services under this Engagement Letter, the Standards of Services and any Statement of Work do not constitute legal or investment advice. We recommend

that you retain competent legal counsel and investment advisers.

25. Indemnification for Breach. Subject to the provisions of Sections 23, 26 and 27, each party will indemnify the other for any loss, liability or obligation arising out of or relating to a failure to fulfill its obligations under this Engagement Letter, the Standards of Services or any Statement of Work.

26. Opportunity to Cure and Liability Limitations.

(a) In the event that we fail to meet our obligations under this Engagement Letter (including without limitation Section 23), the Standards of Services or any Statement of Work, you must notify us in writing and provide us with the opportunity to re-perform the services.

(b) If the services cannot be re-performed, or if re-performance will not cure the breach or mitigate any damages caused by the breach, then your remedy will be for us to refund our fees under the affected Statement of Work up to the amount of your direct damages caused by our failure to meet our obligations. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to our services under any Statement of Work exceed the amount of fees actually paid to us under that Statement of Work. In no event will our aggregate liability for claims, whether in contract, in tort, at law, or in equity, including third-party claims by a private party or government authority, arising out of or relating to all other obligations under this Engagement Letter or the Standards of Services exceed the amount of fees accrued and paid to us under all Statements of Work during the twelve months immediately preceding the first such breach of any such obligation.

(c) In no event will we be liable for loss of profits or any consequential, indirect, special, exemplary or punitive damages or for any losses or costs incurred relating to any government or regulatory action, investigation, enforcement action or fine.

27. Time Limitation on Claims. No claim or action by either party, regardless of whether the claim is in contract, in tort, at law or in equity, arising out of or relating to any matter under this Engagement Letter, the Standards of Services or any Statement of Work may be brought by either party after the earlier of (i) 24 months after the party first knows or has reason to know that the claim or cause of action has accrued or (ii) 60 months following the completion of the services under the affected Statement of Work. This Section may shorten, but in no event will it extend, any period

of limitation on actions otherwise provided by applicable law.

28. Effect on Other Agreements. The provisions of Sections 26 and 27 will not limit our obligations or liability under any separate agreement for the provision of audit, review, compilation or other accounting or attest services.

29. Liability of Other RSM International Firms. RSM Alberta LLP is a member of RSM International, a network of independent accounting, tax, and consulting firms. Neither RSM International nor any member firm other than RSM Alberta LLP will have any obligation or liability to you under this Engagement Letter, the Standards of Services or any Statement of Work.

30. Termination. (a) You may terminate this Engagement Letter or any Statement of Work at any time by written notice to us. Subject to any restrictions imposed by applicable ethical rules, we may terminate this Engagement Letter or any Statement of Work at any time upon written notice to you. Termination for any reason will not affect your obligation to pay us for fees and expenses incurred prior to termination or in transferring files to and otherwise cooperating with any successor tax preparer or tax advisor.

(b) If you terminate any Statement of Work providing for a fixed fee after we have commenced performing services under that Statement of Work, then upon termination you will be obligated to pay us a portion of the fixed fee based upon the proportion of the amount of work completed under the Statement of Work in relation to the total amount of work expected to be required to complete the Statement of Work.

31. Survival of Provisions. All provisions of this Engagement Letter, the Standards of Services and the applicable Statement(s) of Work will survive the termination of this Engagement Letter or any Statement of Work, except that (i) we will not have any obligation to provide services after termination and (ii) except as provided in Sections 19, 20 and 30, you will not have any obligation to pay us for any services that we perform after termination.

32. Entire Agreement; Interpretation. This Engagement Letter, the Standards of Services and the Statements of Work represent our entire agreement and understanding concerning our delivery of tax services to you, and they supersede all prior and contemporaneous agreements, including without limitation, any nondisclosure agreements. All provisions in this Engagement Letter, the Standards of Services and the Statements of Work must be

construed according to their fair meaning and not strictly for or against any party. The headers, footers, trademarks and service marks are included for reference and branding purposes only and will not affect the meaning of any other provision of this Engagement Letter.

33. Amendments, Waivers and Consents. Except as provided in Section 3, this Engagement Letter may not be amended except by our mutual written agreement. No waiver of any breach of this Engagement Letter, the Standards of Services or any Statement of Work will be effective unless the waiver is in writing and signed by the party against whom the waiver will be enforced. No waiver of any one breach will be deemed a waiver of any other or subsequent breach.

34. Writing and Signatures. (a) For the purposes of this Engagement Letter, the Standards of Services or any Statement of Work a communication will be deemed to be "in writing" if it is in paper format or in an electronic format capable of being read and being reduced to paper format.

(b) For the purposes of this Engagement Letter (including without limitation Sections 3, 33 and 35), the Standards of Services or any Statement of Work, a document may be "signed" by you or by us either manually or electronically meeting any requirements established pursuant to the applicable laws regulating electronic commerce.

35. Assignment; No Third Party Beneficiaries. You may not assign this Engagement Letter, the Standards of Services or any Statement of Work to any other party without our prior written consent signed by our duly authorized partner, principal or employee, except that you may assign all of this Engagement Letter, the Standards of Services and all Statements of Work then in effect to any party that acquires substantially all of your assets and goodwill. This Engagement Letter, the Standards of Services and all Statements of Work will be binding on our and your respective successors and assigns. There are no third party beneficiaries to this Engagement Letter, the Standards of Services or any Statement of Work except as expressly provided in the applicable Statement of Work. Any Statement of Work that proposes to name a third party beneficiary of our services must be signed by us in order to be binding on us.

36. Governing Law. This Engagement Letter, the Standards of Services and the Statements of Work and any dispute or claim arising out of or relating thereto will be governed by and construed in accordance with the laws of the province in which our office providing the majority of our services under this

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GroundWorks Safety Systems Inc.
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Engagement Letter is located, without regard to provisions governing conflicts of laws. All litigation or other legal proceedings will be brought in the Provincial or Federal courts located in that province. The parties agree to this choice of law, jurisdiction and

venue, and waive any defense of an inconvenient forum.

Sincerely,

RSM Alberta LLP

Bob Boser, B.Comm., CPA, CA
Partner

This Engagement Letter, the Standards of Services and the Statement(s) of Work are binding on all entities deemed to be a client under Section 1 above, and each signatory below represents that he or she has the legal power and authority to act on behalf of and to bind each of those entities.

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GroundWorks Safety Systems Inc.

Jim Foley

Date

Express consent to receive electronic communications pursuant to Canadian Anti-Spam Legislation (CASL). I have authority to bind the corporation and I have authority to grant consent for receipt of commercial electronic messages on behalf of the employees.

Signature and Title

Date

In the course of delivering tax services to our clients or to third parties (you), RSM Alberta LLP (we or us) applies customary practices intended to provide our services in a cost effective manner and in accordance with applicable law and professional standards. This document describes the standards for performance of our services (these Standards) relating to tax return preparation, tax advice and consultation, representation in any tax controversy matter, tax information return filings, accounting for taxes or any other Federal, provincial, or foreign tax matter.

These Standards do not constitute an agreement to provide tax services. Our agreement to provide specific tax services can only be made in the manner provided in an engagement letter signed by both you and our duly authorized partner, principal or employee (the Engagement Letter). The scope of services for a particular project will be set forth in a statement of work delivered in the manner provided in the Engagement Letter (each, a Statement of Work). These Standards may be modified for a particular project, but only to the extent we expressly agree in a Statement of Work signed by our duly authorized partner, principal or employee. Modification of these Standards in a Statement of Work will apply only to the specific services described in that Statement of Work.

These Standards reference certain tax return, reporting, withholding or other requirements frequently encountered by business taxpayers under Federal and provincial law. However, the description of any referenced requirement is only a summary as of the date these Standards were released and is not a comprehensive description of the referenced requirements. In addition, there are many other requirements under applicable law that are not referenced in these Standards.

We may revise these Standards by providing you with a copy of the revised Standards in the manner provided in the Engagement Letter. The revised Standards will apply to all Statements of Work subsequently or simultaneously delivered to you.

References in these Standards to the "Act" mean the Income Tax Act (Canada) and Regulations issued thereunder, as amended. "Tax Advice" has the meaning set forth in Section 4.1.

1. Standards Applicable to all Tax Services

1.1 Scope of Our Services. The scope of our services will be limited to the services specifically described in the applicable Statement of Work. If you require services beyond those specifically described in a particular Statement of Work, these additional services would require either a separate Statement of Work or an expansion of an existing Statement of Work at an additional cost.

1.2 Decisions. While we may provide you with advice concerning tax return reporting and tax consequences of certain transactions, you will retain all authority and responsibility for making any decisions based on our advice.

1.3 Reliance on Information. Except as provided in the applicable Statement of Work, we will not investigate or verify any facts underlying the transactions reported on your tax return, but we will rely on the financial and other information that you provide us and any financial information that we receive in connection with any assurance services we provide to you. If the actual facts are different from the facts represented to or understood by us, or if there are other facts of which we are not aware, the tax return reporting of the transactions or the conclusions in our Tax Advice could be materially different than that reported on the returns prepared by us.

1.4 Possibility of Litigation. If the Canada Revenue Agency (CRA) or another tax authority adopts a position contrary to any analysis or conclusions in our Tax Advice or to any position reported on a tax return, it might be necessary to pursue administrative appeals or litigation. Decisions of whether and how to pursue administrative appeals or litigation may be based on considerations of cost, publicity and other matters unrelated to the technical merits of a tax position. In some cases, taxpayers elect not to pursue appeals or litigation even though a reported position may ultimately be sustained on appeal or in litigation.

1.5 Changes in Law. Subsequent changes to applicable law or regulations, or the issuance of new case or ruling authority, could materially and adversely affect the analysis and conclusions in an item of Tax Advice or a position reported on a tax return. Neither the delivery of any Tax Advice nor the preparation of a tax return is an undertaking on our part to monitor or to advise you concerning any changes in law subsequent to the date of the Tax Advice or the delivery of the tax returns.

2. Tax Return Preparation

2.1 Scope of Return Preparation Services. Our services in preparing your tax returns are limited to tax return preparation, and our preparation of a return should not be viewed as assurance that any particular reported position is likely to prevail in the event of a

challenge by the CRA or another tax authority. If we become aware of a return position for which we believe a penalty under the Act is likely to apply, we will bring that position to your attention. If you would like us to advise you concerning any specific matter on your tax return, please contact us to discuss expanding the scope of our services. Any Tax Advice rendered in connection with the preparation of any tax return is subject to the provisions described under "4. Tax Advice" below. Tax return preparation and tax advisory services do not include representation in the event of an audit by the CRA or other tax authorities.

Tax return preparation services do not constitute accounting or auditing services. In addition, tax return preparation services are not designed to disclose defalcations or other irregularities, should any exist. Conversely, financial statement audits and reviews are not designed or intended to examine or address every potential income tax issue. In addition, certain potential adjustments that are deemed immaterial for financial statement reporting purposes may be required for tax reporting purposes. Please contact us if you would like us to review any specific financial statement items for compliance with applicable tax laws.

In the course of preparing tax returns, we may prepare schedules or perform accounting work as we deem necessary to prepare your returns in accordance with applicable law and professional standards. These schedules and accounting work are solely for the support of our tax return services, and may not be appropriate for financial statement or other purposes.

2.2 Our and Your Respective Responsibility for Accuracy. We will exercise due professional care and judgment to include all required information in your tax returns. The Act provides that by signing or authorizing the electronic filing of your returns, you are verifying that they are true, correct and complete. Accordingly, you should review each tax return carefully before signing the return or any e-filing authorization and bring any questionable items or any omissions to our attention.

2.3 Jurisdictions for Returns. We will prepare tax returns for those Federal, provincial, and foreign jurisdictions described in the applicable Statement of Work. We will advise you if we believe, based on the information that you provide us, that a tax return should be filed in any other jurisdiction, but we will not prepare any such tax return without your approval of the expansion of our scope of services. It is important that you inform us of any new or expanded activities that could trigger filing requirements in additional province(s), such as the acquisition of property or the hiring of employees in a new province. Activities of a partnership, trust or other flow-through entity in which you are an owner or beneficiary may also trigger additional provincial tax filings, so please contact us if you have acquired an interest in any such entity over the past year.

2.4 Deductions, Credits and Other Tax Incentives. If we determine that you are eligible for any tax credit, exclusion or deduction, we will either apply any such tax benefit in preparing your tax returns or we will advise of its availability and any related considerations to permit you to decide whether to take advantage of the tax benefit. Your eligibility for certain tax benefits will in some cases depend on the existence of certain documentation and may require tax research beyond the scope of tax return preparation services. Separate filings may be required in respect of certain credits to be claimed which do not form part of the tax return and which may not be late filed.

There are numerous tax credits, exclusions and deductions for which a detailed review of business or investment activities would be required to determine their availability. Such a detailed review is beyond the scope of tax return preparation. If you would like us to undertake a detailed review of your activities to identify tax credits, exclusions or deductions, please contact us to discuss the terms of an engagement for these services.

2.5 Level of Assurance. Except as expressly provided in an applicable Statement of Work, we will not review any reporting position or perform any tax research for the purpose of either (i) determining whether a position can be reported or (ii) determining whether tax penalties may apply. If you wish to report a position on the return, or if you are concerned about the potential application of tax penalties, please contact us to discuss expanding the scope of our services to include Tax Advice that may address your concerns.

2.6 Disclosure of Transactions and Information Return Filings. The Act and certain provincial laws require that you disclose on or with your tax return certain transactions or other financial information in the form of separate information return filings. There may be significant financial penalties for failure to file a required information return even if there is no understatement of tax or tax liability associated with the information return. Our tax return preparation services do not include any separate investigation to evaluate whether there are any transactions or other matters that must be disclosed on your returns, but we will advise you if we conclude that any such disclosure is required. If you would like us to specifically review any transaction or matter to evaluate whether specific reporting is required, please contact us to discuss expanding the scope of our services.

2.7 Amended Tax Returns. If you engage us to prepare any amended tax returns, our services will be limited to the reporting of the items on the amended returns that are changed from the position reported on the original (or last filed amended) returns. We will rely without investigation on the previously filed returns with respect to any position that is not amended and we will have no obligation or responsibility under this letter with respect to any such position.

2.8 Electronic Filing of Tax Returns. Federal and provincial tax laws mandate the electronic filing of certain tax returns. In some cases, a taxpayer may elect to file a tax return in paper format and in other cases an election to opt out of electronic filing is not available. Occasionally, technical limitations prevent the electronic filing of a particular return.

We will use our best efforts to electronically file your tax returns. Prior to electronic filing, we will provide you with the information to be included on your return for your review and approval. Federal and provincial laws require that we obtain your written authorization prior to electronically filing a return, so it is critical that you sign and return the authorization form to permit electronic filing by the return's due date.

If we cannot electronically file any tax return, whether due to technical limitations or for any other reason, we will provide you with those returns for filing in paper format. If any return is provided to you in paper format for filing, it is critical that you sign, date and mail that return by its due date.

2.9 Your Copy of Your Tax Returns. We will provide you with an electronic copy of the tax return or the required information in a *.pdf* or similar format. If you would like to receive a paper copy in lieu of the electronic copy, please notify us in writing as soon as possible.

2.10 Notices. Occasionally, the CRA or other Provincial tax authority will send a notice of reassessment recalculating tax liability or requesting additional documentation following the filing of a tax return. If you receive such a notice, you should forward a copy of the notice to us as soon as possible since a notice may in some cases affect future tax services and require responses within a specified time frame. In addition, we will at your request assist you in responding to any notice relating to any of your tax returns that we prepare.

2.11 Use of Tax Returns. Because of their special purpose, nature and format, income tax returns do not constitute financial statements prepared in accordance with international financial reporting standards. The tax returns should be used only for income tax purposes and must not be used as a substitute for financial statements.

3. Estimated Taxes

3.1 Estimated Taxes. Federal and provincial laws require taxpayers to make estimated tax payments relating to their current year tax liability, and a failure to make adequate estimated tax payments to the Receiver General or to a provincial tax authority could result in tax penalties.

An engagement to prepare annual tax returns will not include services for estimated tax planning or preparation unless expressly stated. If you engage us to

assist you in calculating estimated tax payments, you must provide us with the information we request and with any other information relevant to your tax liability (including information concerning the allocation or apportionment between provinces) at least 30 days prior to the due dates of your estimated payments. If you would like us to assist you with estimated tax planning, you should contact us at least 45 days prior to the due date of the next estimated tax payment.

In calculating the amount of any estimated tax payment, we will rely on information that you provide and we will not audit or otherwise verify this information. In the event that the information you provide is different from the actual amounts of income, gain, deduction or loss, the amount of tax liability on your tax returns may be different from the aggregate amount of the estimated tax payments made. If the actual amount of that liability to any jurisdiction exceeds the aggregate estimated tax payments made to that jurisdiction for any period, it is possible that a tax penalty and applicable interest charges could apply.

3.2 Schedules of Estimated Tax Payments. At the time we deliver your tax returns to you, we may provide you with a schedule of estimated tax payments for the current year. Unless otherwise expressly stated on the schedule, the payments on any such schedule will be based solely on your prior year tax liabilities from the Federal and provincial income tax returns that we prepare on your behalf. While the payments will be intended to avoid Federal and provincial penalties for the underpayment of estimated taxes and any applicable interest thereon, your actual current year income tax liabilities could be materially different from the aggregate amount of these payments. In that event you may owe tax penalties and any applicable interest charges.

4. Tax Advice

4.1 What Constitutes Tax Advice. Any definitive advice concerning any tax matter depends on the particular facts of your situation, as well as the law and related authorities (e.g. regulations, case law, rulings etc.) that apply to those facts. Our professional standards require that we exercise appropriate due diligence in providing tax advice, taking into consideration the scope of our engagement and the type and specificity of the advice that you request. This due diligence may require review or confirmation of certain facts and research concerning applicable tax authorities. In order to confirm our mutual understanding regarding material facts and to provide you with an understanding of any particular risks associated with any tax positions addressed, all definitive advice that we provide concerning any tax matter (Tax Advice) must be in writing in the form of a letter or a memorandum.

We are happy to discuss with you our views regarding the tax treatment of certain items. We may also provide you with tax information in the body of an email.

However, any communication or information delivered to you orally or in the body of an email (as opposed to a letter or memorandum delivered as an email attachment) will be based upon limited tax research and a limited discussion and analysis of the underlying facts. Additional research or a more complete review of the facts could affect our analysis and conclusions.

Because of these limitations and the related risks, oral and email communications will not be deemed Tax Advice, and it may not be appropriate for you to proceed with any transaction or any tax return reporting solely on the basis of any oral or email communication. We recognize that in some cases you may choose to proceed without obtaining Tax Advice due to considerations of cost, timing and your evaluation of potential risks. If you choose to proceed with any transaction or tax return reporting position without obtaining Tax Advice from us, then you accept all responsibility for any loss, cost or expense resulting from your decision (i) not to have us perform the research and analysis necessary to reach a more definitive conclusion and (ii) to instead rely on an oral or email communication. The limitation in this paragraph will not apply to an item of Tax Advice that is delivered to you as a document attached to an email.

In providing our tax services, we may provide you with tax or financial schedules and calculations. These schedules and calculations, standing alone, cannot adequately describe the merits and risks of any tax position or the assumptions underlying the schedule or calculations. Accordingly, these schedules and calculations should not be viewed as assurance of the correctness of any particular tax position. If you would like assurance regarding the tax positions upon which any schedule or calculation is based, please contact us to discuss the merits of our providing you with Tax Advice to support those calculations.

4.2 Facts and Assumptions. Our investigation to confirm or verify any facts described in any Tax Advice will be limited to the investigation described in the body of the Tax Advice, and we will rely on the facts, assumptions and representations described in the Tax Advice. Any change in or addition to these facts, assumptions or representations could materially and adversely affect our analysis and conclusions. If you for any reason believe that any facts, assumptions or representations in any Tax Advice are incorrect or incomplete, you must notify us immediately to discuss the impact on our analysis and conclusions. You should not rely upon any item of Tax Advice that is based on facts, assumptions or representations that you believe to be incorrect or incomplete.

4.3 Applicable Law. A majority of our Tax Advice addresses Federal income tax matters. Unless expressly stated in our Tax Advice, our analysis and conclusions will relate solely to Federal income tax consequences under the Act as of the date of our Tax Advice. If you would like us to address tax

consequences to you under any other applicable tax law, please contact us to discuss expanding the scope of our services.

4.4 Issues Addressed. Each item of Tax Advice will be limited to advice concerning the tax issues described in the Tax Advice, and it may not consider all of the issues that may arise in connection with the subject matter of the advice. Except as expressly stated in an item of Tax Advice, our advice is not an endorsement of any particular transaction structure or accounting method, nor is it a recommendation that any addressee proceed with any transaction or other matter described in the Tax Advice.

4.5 Level of Assurance for Tax Advice; No Guarantee. Many areas of tax law are unclear, and the application of the tax law to any particular facts may be subject to more than one interpretation. Our Tax Advice will be based upon our interpretation of applicable law and regulations and certain case and ruling authority as of the date of the Tax Advice. The level of assurance for any particular item of Tax Advice will depend on the underlying facts, the clarity of applicable law, regulations, case and ruling authority, and the extent of factual due diligence and tax research performed. The conclusions in our Tax Advice will be based on our good faith belief that they meet the level of assurance stated in the Tax Advice. Obtaining Tax Advice at a particular level of assurance may in some cases provide a defense to certain tax penalties, but you should not assume that an item of Tax Advice will offer you protection from penalties except as expressly stated in the Tax Advice.

A Statement of Work may indicate a desired level of assurance for Tax Advice addressing a particular tax position. Because the ultimate level of assurance with respect to any tax position will depend on our findings with respect to the underlying facts and the results of our tax research, no Statement of Work should be viewed as a binding commitment to deliver Tax Advice concerning any tax position at a particular level of assurance.

Our analysis and conclusions will be based upon our professional judgment, will not be a guarantee of the ultimate tax consequences of the transactions described in the Tax Advice and will not be binding on the CRA, any provincial or foreign tax authority, or any court. If you would like greater certainty regarding the tax treatment of any particular transaction, please contact us to discuss the possibility of obtaining a ruling from the appropriate tax authority.

4.6 Reliance and Distribution. Each item of Tax Advice is rendered only for the benefit of the named addressee(s), and does not address the tax consequences to any other person or entity that is not an addressee. No person or entity other than the named addressee(s) may rely on the Tax Advice.

To avoid confusion regarding matters of reliance, our Tax Advice may not be delivered to any other party unless you advise the recipient of these limitations on reliance. You may not include any item of Tax Advice in any prospectus, private placement memorandum or other document used to offer any securities or to otherwise obtain financing.

Unless expressly provided in an item of Tax Advice, but subject to the limitations in the preceding paragraph, you are free to share the Tax Advice with any third party. You may deliver a copy of any Tax Advice to the CRA or any provincial or foreign tax authority for the purpose of demonstrating good faith and reliance on the analysis and conclusions expressed therein.

5. Tax Controversy Matters

5.1 Audits and Appeals. (a) In connection with any audit of a return by the CRA or any other tax authority, we will perform the following services as we deem appropriate to properly respond to the audit:

- (i) assist you in responding to requests for information from the tax authority;
- (ii) conduct tax research and advise you concerning the merits of your reported tax position(s) and the merits of any potential challenge to your reported position(s);
- (iii) participate in meetings and conference calls with you and with representatives of the tax authority;
- (iv) prepare any amended tax returns required as a result of the audit;
- (v) prepare and file any taxpayer protest or other documents necessary for any administrative appeal; and
- (vi) assist you in evaluating the terms of any proposed assessment, settlement or appellate determination.

(b) We will consult with you throughout the audit or appeal concerning all significant services that we plan to perform. Except as required by law or by applicable professional rules, we will not perform any service that you have specifically asked that we not perform.

(c) In any audit, appeal or litigation, decisions whether to contest or to concede an assessment or a particular tax position are often affected by considerations other than the technical merits of a position (e.g. the costs of proceeding). We will use our best efforts to assist you in evaluating these other considerations.

5.2 Litigation. Should you ultimately choose to pursue litigation as a result of any assessment arising out of an audit, we would not be able to represent you in any court. If you choose to pursue litigation at any point, we strongly recommend that you retain legal counsel experienced in tax litigation matters. Although we cannot represent you in court, we would be able to assist your

legal counsel in understanding the facts of your case, the technical merits of your position and other matters we encounter during the course of our services.

6. Tax Withholding Matters

6.1 Nonresident and Foreign Owner Withholding.

Tax laws in some cases require taxpayers to withhold taxes on behalf of nonresident or foreign owners or beneficiaries and remit the taxes withheld. A failure to remit taxes required to be withheld may result in tax penalties and interest. If you engage us to assist you in calculating nonresident or foreign owner withholding tax payments, we will perform those calculations for those taxpayers identified in the applicable Statement of Work under Federal law. For us to calculate these amounts, you must provide us with the information we request, including information regarding nonresident or foreign owners or beneficiaries, at least 30 days prior to the date of any payment to a nonresident owner or beneficiary.

In calculating the amount of any nonresident or foreign withholding or payments, we will rely on information that you provide and we will not audit or otherwise verify this information. If the information you provide is different from the actual amounts of income, gain, deduction or loss allocated to any nonresident or foreign owner or beneficiary, the amount of the required withholding may be different from the amounts withheld or remitted. If the actual amount of the required withholding for any jurisdiction exceeds the aggregate withholding tax payments made to that jurisdiction for any period, it is possible that penalties and interest could apply.

7. Authorizations

7.1 Authorization to Communicate with Federal and Provincial Tax Authorities. In connection with your tax return filings, tax account administration, audit, appeal or other tax controversy matter, you may grant to us authorization to communicate with Federal and Provincial tax authorities on your behalf.

Notwithstanding any grant authorization, all significant decisions concerning any audit, appeal or other tax controversy matter, will be decisions to be made by you in your sole discretion and any documents or responses prepared by us will be discussed with you and reviewed by you prior to being provided to the relevant tax authority.

8. Foreign Information Reporting

8.1 Foreign Information Reporting. Individuals, corporations, partnerships, trusts and estates who have a financial interest in a foreign country or transact with non-residents may be required to make separate information return filings to report such interests or transactions, as the case may be, where the applicable reporting criteria in the Act are satisfied. Separate information return filing requirements also apply to

taxpayers with direct or indirect control over foreign entities. Although information returns do not have an associated income tax liability, failure to file foreign information returns where required may result in the application of late filing penalties and related interest

During the course of our engagement, we may identify information or transactions that would give rise to a foreign information return requirement. We will advise you if we believe, based on the information that you provide us, that an information return may be required, but we will not prepare any such tax return without your approval of the expansion of our scope of services.

Rev 8/30/19

Client(s): GroundWorks Safety Systems Inc.

Date: October 20, 2020

The taxpayer(s) identified above (you or your) and RSM Alberta LLP (we, our or us) have entered into an engagement letter for tax services (the Engagement Letter). Under the Engagement Letter, the scope and nature of our tax services and any deliverables are to be described in separate statements of work for separate projects. This document is a “Statement of Work” under the Engagement Letter.

All services described in or provided pursuant to this Statement of Work are subject to the terms, conditions and limitations of the Engagement Letter and the Standards of Services in Tax Matters for Business Taxpayers that we have provided to you and are in effect as of the above date. Handwritten changes to this Statement of Work will have no legal effect.

Description of Our Services under this Statement of Work

Tax Return Preparation

We will prepare the tax returns for the entities, jurisdictions and tax periods specified in the attached “Schedule of Tax and Information Returns to be Prepared.” If you would like to add related taxpayers to this schedule, please call us to discuss expanding the scope of our tax return preparation services. If you choose to add taxpayers or additional tax or information return filings, this will increase the amount of our fees and expenses described below.

Some taxpayers have begun issuing, utilizing, trading or investing in virtual currencies (e.g. Bitcoin). Canada Revenue Agency guidance governing the reporting of transactions involving virtual currencies generally requires each transaction to be treated as a sale or exchange of property at its then fair market value, so clients’ accounting systems must be able to track these transactions and determine fair market value to ensure proper income tax reporting. If you have engaged in transactions involving virtual currencies, we may be required to review your systems of accounting for those transactions and your approach to determining fair market value of the virtual currencies, which may increase the amount of our fees. Please note that in preparing any tax returns reporting virtual currency transactions, we will not provide any assurance as to the correctness of any determination of fair market value.

To prepare your tax returns, it will be necessary for you to provide us with the financial and other information that we request. We will provide you with a Client Assistance Package and may request additional information, and it is necessary for you to respond to these requests completely and accurately. If you have any questions concerning a particular question or request, please contact us. We will also request financial information for use in preparing your tax returns from any other firm(s) that you have engaged to provide you with audit, review or compilation services.

You must deliver all financial and other information necessary for preparation of your returns to us at least 45 days prior to the due date of the returns. Applicable laws and professional standards require us to apply certain review procedures in preparing a tax return, and we need adequate time to perform these procedures. If for any reason you are unable to provide us with this information at least 45 days prior to the due date, you must contact us as soon as possible so that we can modify the staffing and scheduling of our services. We will contact you if at any time we conclude that we will be unable to complete any return by the filing due date.

We will request a large portion of the tax and financial information from you in an electronic format. Certain other information requests may be in hard copy. We will work with your management team to assist you in providing us this information in an appropriate electronic format, but we will depend heavily upon your employees and representatives in obtaining information in the most appropriate format. If any requested information is not received or is received in an unusable format, we will return the items to you

for completion or correction. If you cannot provide information in the requested format, or if it becomes necessary for us to prepare or to correct information to be provided by you, our fees for preparing your tax returns will increase. If at any time you believe you might be better served by having us perform a particular task, please contact us to discuss modifying the scope of our services and the amount of any additional fees.

Consultations Regarding Tax Matters

In connection with your tax returns or in response to your request(s), we may respond to questions, provide general tax information or explanations, discuss tax issues or otherwise consult with you concerning various tax matters. We call your attention to the limited nature of due diligence and research typically performed in providing information regarding tax matters orally or via email, and the limitations on your ability to rely on any oral or email communications.

Consultations Regarding General Business Matters

We recognize that you face a wide variety of business questions and challenges. In connection with your tax returns or in response to your request(s), we may respond to your questions, provide general information or explanations, discuss issues or otherwise consult with you to provide you with insights regarding nontax matters based on the experience of the tax professional primarily responsible for overseeing our tax services to you. We call your attention to the limited nature of research typically performed in providing this general business information. We are of course happy to meet with you to discuss your business questions and challenges in more detail and to assist you in tailoring solutions for your business, but those services would be performed under a separate statement of work and for additional fees. Any such nontax advice does not constitute legal or investment advice.

Impact of COVID-19 on Our Services

Both you and we acknowledge that, at the time of the execution of this Statement of Work, national, provincial, and local governments, both domestic and foreign, have restricted travel and/or the movement of people due to the ongoing and evolving situation around COVID-19. In addition, like many organizations and companies in Canada and around the globe, we have restricted our employees from travel and onsite work, whether at a client facility or an RSM facility, to protect the health of both our clients' employees and our employees. Accordingly, to the extent that any of the services described in this Statement of Work requires your or our personnel to travel and/or perform work onsite, either at your or our facilities, you and we acknowledge that the performance of this work may be delayed and that certain services described in this Statement of Work may need to be rescheduled and/or suspended at either your or our sole discretion. Each party agrees to provide the other with prompt notice (email will be sufficient) in the event any of the services described herein will need to be rescheduled and/or suspended. The parties acknowledge and agree that any delays or workarounds due to the situation surrounding COVID-19 may increase the cost of the services described herein.

Fees and Expenses

Our fees for our services described in this Statement of Work will be calculated as provided in the Engagement Letter. In addition to our fee, you must pay (a) directly billed expenses, including tax return and report processing, travel, meals, and fees and expenses for services from other professionals and (b) a charge of five percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance in the assembly and e-filing of returns. All sales, use, value-added or other similar taxes will be charged in addition to the fees and expenses.

Schedule of Tax and Information Returns to be Prepared

Entity Name	Return Type(s)	Tax Period(s)	Jurisdictions
GroundWorks Safety Systems Inc.	T2	2020	Federal & Provincial



October 19, 2020

GroundWorks Safety Systems Inc.
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Attention: James Foley

Dear Mr. Foley:

Re: GroundWorks Safety Systems Inc.

You have requested that we compile the financial statements of GroundWorks Safety Systems Inc. (the Company), which comprise the balance sheet as of July 31, 2020, the related statements of income and retained earnings for the year then ending, (collectively, the financial statements), and perform a compilation engagement with respect to those financial statements. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

As agreed, we will compile financial statements in accordance with the standards applicable to compilation engagements for the year ending July 31, 2020. We will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

On the basis of information provided by management, we have compiled the balance sheet of GroundWorks Safety Systems Inc. as July 31, 2020, and the related statements of income and retained earnings, for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Since we are accepting this engagement as accountant, not as auditor, we request that you do not record this as an auditing engagement in the minutes of your shareholders' meetings. Our services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

1. the Company will provide us with accurate and complete information necessary to compile the financial statements;
2. the responsibility for the accuracy and completeness of the representations in the financial statements remains with the Company;
3. each page of the financial statements will be conspicuously marked as "Unaudited — See Notice to Reader";
4. you will attach our Notice to Reader when distributing the financial statements to third parties;

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5. the financial statements may either lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, and may not be appropriate for general purpose use; and
6. uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

The engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. We wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Because RSM Alberta LLP (“RSM”) will rely on the Company and its management and Shareholders to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company’s management that has caused, in any respect, RSM’s breach of contract or negligence. Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due to our negligence.

This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company’s books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our compilation, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Billings are due upon submission.

Fees and disbursements (if any) will be billed to you on an interim basis as the work is performed or upon completion of the work and will be due and payable upon presentation of our invoices. Applicable taxes will be charged in addition to fees, costs and disbursements. Invoices unpaid 45 days past the billing date will be deemed delinquent, and are subject to an interest charge of 12% per annum.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the

Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

GroundWorks Safety Systems Inc. and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of GroundWorks Safety Systems Inc. arising from this engagement is limited to the amount of fees paid by GroundWorks Safety Systems Inc. to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of GroundWorks Safety Systems Inc. proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. GroundWorks Safety Systems Inc. agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of GroundWorks Safety Systems Inc. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein and to perform a compilation engagement with respect to those same financial statements and our respective responsibilities.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Company:

James Foley

Date



October 19, 2020

GroundWorks Safety Systems Inc.
4207 53 Street Close
Innisfail AB T4G 1P9

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Attention: James Foley

Dear Mr. Foley:

Re: GroundWorks Safety Systems Inc.

You have requested that we compile the financial statements of GroundWorks Safety Systems Inc. (the Company), which comprise the balance sheet as of July 31, 2021, the related statements of income and retained earnings for the year then ending, (collectively, the financial statements), and perform a compilation engagement with respect to those financial statements. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

As agreed, we will compile financial statements in accordance with the standards applicable to compilation engagements for the year ending July 31, 2021. We will not perform an audit or a review engagement on such information. Unless unanticipated difficulties are encountered, our communication will be substantially in the following form:

On the basis of information provided by management, we have compiled the balance sheet of GroundWorks Safety Systems Inc. as July 31, 2021, and the related statements of income and retained earnings, for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Since we are accepting this engagement as accountant, not as auditor, we request that you do not record this as an auditing engagement in the minutes of your shareholders' meetings. Our services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

1. the Company will provide us with accurate and complete information necessary to compile the financial statements;
2. the responsibility for the accuracy and completeness of the representations in the financial statements remains with the Company;
3. each page of the financial statements will be conspicuously marked as "Unaudited — See Notice to Reader";
4. you will attach our Notice to Reader when distributing the financial statements to third parties;

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5. the financial statements may either lack disclosure required by, or otherwise not be in accordance with, Canadian generally accepted accounting principles, and may not be appropriate for general purpose use; and
6. uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

The engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. We wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge and experience to oversee our preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Because RSM Alberta LLP ("RSM") will rely on the Company and its management and Shareholders to discharge the foregoing responsibilities, the Company holds harmless and releases RSM and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Company's management that has caused, in any respect, RSM's breach of contract or negligence. Further, you agree to indemnify and defend (by counsel retained and instructed by us) RSM and its partners, agents, officers, directors and employees, and hold them harmless from all claims, liabilities, losses, and costs arising in connection with:

- your breach, or a breach by your partners, agents, officers, directors or employees of any of the terms or covenants hereof, including without limitation, the misuse or unauthorized dissemination of the Work Product;
- any claims with respect to reliance on the Work Product by any party other than you, unless you can show that such Work Product was received by such other party other than as a direct or indirect result of your action or inaction; and
- the services performed by us unless such losses, costs and damages are found to have been due to our negligence.

This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances relating to the conditions of your records were to arise during the course of our work which in our professional judgment prevent us from completing the engagement, we will notify you promptly. In such a situation, we retain the unilateral right to take any course of action permitted by professional standards, including withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

If, in connection with our compilation, you request us to perform accounting services necessary for the preparation of the financial statements (such as maintaining depreciation schedules, computing the provision for income taxes, drafting the financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

RSM is a limited liability partnership established pursuant to the laws of the province of Alberta. RSM is a partnership, but each individual partner is not personally liable for the debts, liabilities or obligations of RSM arising from the negligent acts or omissions of another partner. Subject to the provisions of this Engagement Letter, each individual partner remains personally liable for his or her own actions and omissions and for the actions and omissions of those other RSM personnel whom they directly supervise or control.

Fees, Costs, and Access to Workpapers

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Goods and Services Tax (GST), Harmonized Sales Tax (HST), Québec Sales Tax (QST) and retail sales tax, where applicable, will be computed and shown separately on our invoices, together with our firm's GST/HST/QST registration numbers, so that you will have the information required to claim input tax credits and input tax refunds, if applicable. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Company personnel
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4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

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In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the

Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, including all applicable taxes, incurred in responding to such requests.

The Company agrees that it will not include our reports, or otherwise make reference to us, in any public or private securities or debt offering.

Privacy and Confidentiality

It is hereby acknowledged that in order to complete our engagement, we may be required to access confidential information and/or personal information in your possession. By disclosing or transferring this information to us, you represent that you are doing so with the knowledge and consent of the subject or owner of the information, have obtained the necessary permission and consent for our collection, use and disclosure of this confidential information and/or personal information as contemplated herein. You further represent that you are disclosing and/or transferring any personal information in compliance with your own stated privacy policies and in accordance with applicable laws.

We will use the personal information you disclose and/or transfer to us for the purposes of completing this engagement. It will not otherwise be used or disclosed unless required by law, regulation or industry professional standards. The personal information may be stored on the servers of, or used by our services providers in, other jurisdictions. The personal information may therefore be subject to the laws of countries other than Canada. It will not otherwise be used or disclosed unless required by law. Any personal information we receive will be managed in accordance with our Privacy Policy which is available upon request.

Notwithstanding the above, and for clarity, RSM Alberta LLP complies with the Personal Information Protection and Electronic Documents ACT (PIPEDA) and acknowledges that all personal information shared by you is confidential and will not be disclosed to any other parties except as provided in this Engagement Letter or as required by law.

Pursuant to Canada's Anti-Spam Legislation (CASL), you consent on your own behalf and on behalf of your employees to receive commercial electronic messages such as e-mails for the delivery of services and to receive newsletters, marketing materials and other information about our services from RSM Alberta LLP, RSM Canada LLP, RSM Canada Consulting LP, RSM Canada Corporate Finance Inc., and RSM Canada Limited. If you wish to withdraw your consent to receive commercial electronic messages from us, please contact unsubscribe@rsmcanada.com. If you do not consent or if you later withdraw your consent, we will not deliver marketing or other promotional emails to you. If you provide us with written notice that you do not wish to receive service-related communications by email, we will deliver our services to you by means of fax, phone, mail or courier or however else you reasonably instruct us. To the extent that publicity is reasonably required to complete the engagement, RSM will have responsibility for the required publicity and you consent, following any required approvals requested by you, to our publicly advertising our involvement. Furthermore, unless you expressly request in writing that RSM not make public the subject matter of this Engagement Letter prior to RSM's completion of the engagement, we may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement. Once RSM has completed the work in this Engagement Letter, RSM may (at our own expense) place advertisements or make reference on our website or distribute other marketing materials (in each case using your name and or logo) describing our role in the engagement, unless you request RSM not to do so in writing. You may not publicize your association with RSM, including by way of a market and/or media release or that RSM has been retained by you to advise you without the prior written approval of RSM, which approval may not be unreasonably withheld.

Claim Resolution

GroundWorks Safety Systems Inc. and RSM agree that no claim arising out of services rendered pursuant to this arrangement letter shall be filed more than the earlier of two years after the date of the report issued by RSM or the date of this arrangement letter if no report has been issued. In no event shall either party be liable to the other for claims of punitive, consequential, special, or indirect damages. RSM's liability for all claims, damages and costs of GroundWorks Safety Systems Inc. arising from this engagement is limited to the amount of fees paid by GroundWorks Safety Systems Inc. to RSM for the services rendered under this arrangement letter.

Information Security - Miscellaneous Terms

RSM is committed to the safe and confidential treatment of GroundWorks Safety Systems Inc. proprietary information. RSM is required to maintain the confidential treatment of client information in accordance with relevant industry professional standards which govern the provision of services described herein. GroundWorks Safety Systems Inc. agrees that it will not provide RSM with any unencrypted electronic confidential or proprietary information, and the parties agree to utilize commercially reasonable measures to maintain the confidentiality of GroundWorks Safety Systems Inc. information, including the use of collaborate sites to ensure the safe transfer of data between the parties.

RSM may terminate this relationship immediately in its sole discretion if RSM determines that continued performance would result in a violation of Canadian or other law, Canadian or other regulatory requirements, applicable professional standards or RSM's client acceptance or retention standards, or if the Company is placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, the Company or its affiliates is placed on a verified sanctioned person list, in each case, including but not limited to lists promulgated by Global Affairs Canada, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union or any other relevant sanctioning authority applicable to RSM.

If any term or provision of this arrangement letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

This Engagement Letter shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta, and constitutes the complete and exclusive statement of agreement between RSM and the Company, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Security of Electronic Communication

During the engagement, subject to your consent pursuant to Canada's Anti-Spam Legislation, we may communicate with you by way of e-mail or other form of electronic transmission. As you may be aware, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use (collectively, a "Breach"). Both RSM and you will take reasonable precautions acceptable in the industry to secure any networks or systems being used to communicate electronically from such a Breach. RSM shall have no liability to you arising from or in connection with a Breach. If the communication relates to a matter of significance and there are concerns about the possible effects of electronic transmission, a hard copy of such transmission should be requested from us.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this agreement or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities or (iv) a digital signature. This agreement may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts," of such documents if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein and to perform a compilation engagement with respect to those same financial statements and our respective responsibilities.

RSM Alberta LLP

RSM Alberta LLP

Marsha L. Smalley, B.Comm., CPA, CA

Partner

Confirmed on behalf of the Company:

James Foley

Date

GroundWorks Safety Systems Inc.

Year End: July 31, 2020

Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/28/2020	KC 10/29/2020	MS 10/29/2020	

8001

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount	Chg	%Chg
1040 TD 35831 Chequing Acct - CAD	28,826.96	0.00	(27,054.90)	1,772.06	31,765.18	(29,993.12)	(94)	
1041 TD 04609 Chequing Acct - USD	27,203.80	0.00	0.00	27,203.80	655.06	26,548.74	4053	
1042 TD USD FX	20,535.96	(11,275.79)	0.00	9,260.17	206.28	9,053.89	4389	
1060 ATB 95700 Financial Chequing Accy	1,861.91	(19.00)	0.00	1,842.91	250.53	1,592.38	636	
1067 ATB 49700 Financial USD Chequing	2.86	0.00	0.00	2.86	5.95	(3.09)	(52)	
1068 ATB USD FX	5.22	0.00	0.00	5.22	1.87	3.35	179	
1080 Clearing Account	0.01	0.00	0.00	0.01	0.00	0.01	0	
5000 Cash and cash equivalents	78,436.72	(11,294.79)	(27,054.90)	40,087.03	32,884.87	7,202.16	22	
1200 Accounts Receivable	205,180.20	(1,730.93)	0.00	203,449.27	17,884.92	185,564.35	1038	
5200 Accounts receivable	205,180.20	(1,730.93)	0.00	203,449.27	17,884.92	185,564.35	1038	
1835 Equipment	1,590,862.96	0.00	0.00	1,590,862.96	1,590,862.96	0.00	0	
5500.100 Equipment	1,590,862.96	0.00	0.00	1,590,862.96	1,590,862.96	0.00	0	
1836 Accum. Amort. -Equipment	(489,105.94)	(2,523.17)	0.00	(491,629.11)	(369,217.11)	(122,412.00)	33	
5500.200 Equipment - accum amort	(489,105.94)	(2,523.17)	0.00	(491,629.11)	(369,217.11)	(122,412.00)	33	
2670 Due To/From The Generation Corp	135,428.62	0.00	0.00	135,428.62	97,148.62	38,280.00	39	
5600.300 Due from related party	135,428.62	0.00	0.00	135,428.62	97,148.62	38,280.00	39	
2100 Accounts Payable	(117,043.41)	0.00	0.00	(117,043.41)	(124,362.19)	7,318.78	(6)	
2105 Accrued Liabilities	0.00	(64,067.09)	0.00	(64,067.09)	(3,000.00)	(61,067.09)	2036	
6100 Accounts payable	(117,043.41)	(64,067.09)	0.00	(181,110.50)	(127,362.19)	(53,748.31)	42	
2665 Due To/From Ellis Fabrications Inc.	(440,837.37)	(872.38)	0.00	(441,709.75)	(196,024.10)	(245,685.65)	125	
6100.400 Due to related party	(440,837.37)	(872.38)	0.00	(441,709.75)	(196,024.10)	(245,685.65)	125	
2310 GST/HST Charged on Sales	(1,818.28)	0.00	0.00	(1,818.28)	(663.88)	(1,154.40)	174	
2315 GST/HST Paid on Purchases	8,324.41	2,765.10	0.00	11,089.51	644.26	10,445.25	1621	
2325 GST/HST Adjustments	(6,060.66)	0.00	27,054.90	20,994.24	0.00	20,994.24	0	
6102 GST	445.47	2,765.10	27,054.90	30,265.47	(19.62)	30,285.09	****	
2460 Prepaid Sales/Deposits	(1,730.93)	1,730.93	0.00	0.00	0.00	0.00	0	
6400 Deferred revenue	(1,730.93)	1,730.93	0.00	0.00	0.00	0.00	0	
2607 Current portion of LTD	0.00	(284,376.56)	0.00	(284,376.56)	(271,418.11)	(12,958.45)	5	
6601 Current portion of long-term debt	0.00	(284,376.56)	0.00	(284,376.56)	(271,418.11)	(12,958.45)	5	
2601 Trumpf Finance - TruLaser 3060	(546,718.19)	(15,162.36)	0.00	(561,880.55)	(653,203.41)	91,322.86	(14)	
2602 FX on Trumpf Finance -TruLaser 3060	(182,139.07)	(9,125.07)	0.00	(191,264.14)	(205,628.43)	14,364.29	(7)	
2606 Less: Current Portion of LTD	0.00	284,376.56	0.00	284,376.56	271,418.11	12,958.45	5	
6602 Long-term debt	(728,857.26)	260,089.13	0.00	(468,768.13)	(587,413.73)	118,645.60	(20)	
3350 Common Shares	(10.00)	0.00	0.00	(10.00)	(10.00)	0.00	0	
6900.100 Equity shares	(10.00)	0.00	0.00	(10.00)	(10.00)	0.00	0	
3560 Retained Earnings - Previous Year	(190,839.68)	3,523.17	0.00	(187,316.51)	(162,721.19)	(24,595.32)	15	
6900.400 Retained earnings	(190,839.68)	3,523.17	0.00	(187,316.51)	(162,721.19)	(24,595.32)	15	

GroundWorks Safety Systems Inc.

Year End: July 31, 2020

Leadsheet Summary

Prepared by	Detail Review	General Review	Tax Review
SMM 10/28/2020	KC 10/29/2020	MS 10/29/2020	

8001-1

Account	Prelim	Adj's	Reclass	Rep	Rep 07/19	Amount Chg	%Chg
4020 Sales - Panels	(679,417.26)	0.00	0.00	(679,417.26)	(1,821,395.70)	1,141,978.44	(63)
4030 Sales - Struts	(398,060.91)	0.00	0.00	(398,060.91)	(1,210,019.71)	811,958.80	(67)
4190 Sales - Accessories	(680,192.02)	0.00	0.00	(680,192.02)	(626,481.76)	(53,710.26)	9
4240 Promo Discounts	12,704.18	0.00	0.00	12,704.18	50,493.47	(37,789.29)	(75)
4420 Freight Revenue	(46,536.70)	0.00	0.00	(46,536.70)	(40,995.00)	(5,541.70)	14
4425 Service Revenue	(60,120.00)	0.00	0.00	(60,120.00)	0.00	(60,120.00)	0
4460 Miscellaneous Revenue	(28,027.90)	0.00	0.00	(28,027.90)	0.00	(28,027.90)	0
7000 Revenues	(1,879,650.61)	0.00	0.00	(1,879,650.61)	(3,648,398.70)	1,768,748.09	(48)
5020 Panel Purchases - I/C	848,509.20	882.00	0.00	849,391.20	1,638,887.26	(789,496.06)	(48)
5030 Strut Purchases - I/C	366,231.87	0.00	0.00	366,231.87	1,085,693.94	(719,462.07)	(66)
5040 Misc. Direct Material Purchases	(982.00)	0.00	0.00	(982.00)	5,967.71	(6,949.71)	(116)
5190 Accessory Purchases - I/C	502,470.18	0.00	0.00	502,470.18	529,609.16	(27,138.98)	(5)
5300 Freight Expense	3,200.00	0.00	0.00	3,200.00	340.09	2,859.91	841
5301 Freight Out - I/C	0.00	0.00	0.00	0.00	36,075.60	(36,075.60)	(100)
7100 Cost of sales	1,719,429.25	882.00	0.00	1,720,311.25	3,296,573.76	(1,576,262.51)	(48)
5615 Advertising & Promotions	0.00	0.00	0.00	0.00	100.00	(100.00)	(100)
7200.101 Advertising and promotion	0.00	0.00	0.00	0.00	100.00	(100.00)	(100)
5390 Amortization Expense	122,412.00	0.00	0.00	122,412.00	135,738.43	(13,326.43)	(10)
7200.102 Amortization on Tangible assets	122,412.00	0.00	0.00	122,412.00	135,738.43	(13,326.43)	(10)
5690 Interest & Bank Charges	620.01	9.38	0.00	629.39	6,720.72	(6,091.33)	(91)
5692 Interest & Penalties - Non Deduct	1.06	0.00	0.00	1.06	1,920.71	(1,919.65)	(100)
7200.104 Interest and bank charges	621.07	9.38	0.00	630.45	8,641.43	(8,010.98)	(93)
5695 Interest on Long Term Debt	16,398.36	25,905.63	0.00	42,303.99	53,410.17	(11,106.18)	(21)
7200.105 Interest on long term debt	16,398.36	25,905.63	0.00	42,303.99	53,410.17	(11,106.18)	(21)
5700 Office Supplies	0.00	0.00	0.00	0.00	382.76	(382.76)	(100)
5730 Motor Vehicle Expenses	9.00	0.00	0.00	9.00	0.00	9.00	0
5780 Telephone	13.42	0.00	0.00	13.42	53.01	(39.59)	(75)
7200.107 Office expenses	22.42	0.00	0.00	22.42	435.77	(413.35)	(95)
5610 Accounting & Legal	(684.11)	60,301.99	0.00	59,617.88	3,879.10	55,738.78	1437
5641 Brokerage Fee	275.00	0.00	0.00	275.00	0.00	275.00	0
7200.108 Professional fees	(409.11)	60,301.99	0.00	59,892.88	3,879.10	56,013.78	1444
5050 Engineering Fees	14,452.00	0.00	0.00	14,452.00	3,300.00	11,152.00	338
7200.120 Subcontracting fees	14,452.00	0.00	0.00	14,452.00	3,300.00	11,152.00	338
5691 Currency Exchange	(35,204.76)	(1,618.20)	0.00	(36,822.96)	36,590.44	(73,413.40)	(201)
5900 Unrealized Foreign Exchange	0.00	11,275.79	0.00	11,275.79	0.00	11,275.79	0
7410.100 Foreign exchange gains/losses	(35,204.76)	9,657.59	0.00	(25,547.17)	36,590.44	(62,137.61)	(170)
4490 Gain (Loss) on Sale of Assets	0.00	0.00	0.00	0.00	85,134.28	(85,134.28)	(100)
7410.400 Gains and losses (net)	0.00	0.00	0.00	0.00	85,134.28	(85,134.28)	(100)
	0.00	0.00	0.00	0.00	0.00	0.00	0

GroundWorks Safety Systems Inc.

Year End: July 31, 2020

Adjusting Journal Entries

Date: 8/1/2019 To 7/31/2020

Prepared by	Detail Review	General Review	Tax Review
SMM 10/28/2020	KC 10/29/2020	MS 10/29/2020	

8010

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	7/31/2020	Accum. Amort. -Equipment	1836	6903		2,523.17		
1	7/31/2020	Accrued Liabilities	2105	6903		1,000.00		
1	7/31/2020	Retained Earnings - Previous Year	3560	6903	3,523.17			
		To reconcile opening retained earnings to actual.						
2	7/31/2020	Accrued Liabilities	2105	ACCT.2105		5,000.00		
2	7/31/2020	Accounting & Legal	5610	ACCT.2105	5,000.00			
		To adjust accounting fee accrual.						
4	7/31/2020	Trumpf Finance - TruLaser 3060	2601	PERM-5		15,162.36		
4	7/31/2020	Interest on Long Term Debt	5695	PERM-5	15,162.36			Projected
		To adjust long-term debt to actual.						
5	7/31/2020	TD USD FX	1042	ACCT.1042		11,275.79		
5	7/31/2020	Unrealized Foreign Exchange	5900	ACCT.1042	11,275.79			
		To adjust TD USD for foreign exchange.						
6	7/31/2020	Accounts Receivable	1200	5201		1,730.93		
6	7/31/2020	Prepaid Sales/Deposits	2460	5201	1,730.93			
		To adjust accounts receivable to actual.						
7	7/31/2020	FX on Trumpf Finance -TruLaser 3060	2602	PERM-5		9,125.07		
7	7/31/2020	Currency Exchange	5691	PERM-5		1,618.20		
7	7/31/2020	Interest on Long Term Debt	5695	PERM-5	10,743.27			
		To adjust foreign exchange to actual.						
8	7/31/2020	Less: Current Portion of LTD	2606	PERM-5	284,376.56			
8	7/31/2020	Current portion of LTD	2607	PERM-5		284,376.56		
		To record the current portion of long-term debt.						
9	7/31/2020	ATB 95700 Financial Chequing Accy	1060	5600.301		19.00		
9	7/31/2020	Due To/From Ellis Fabrications Inc.	2665	5600.301		872.38		
9	7/31/2020	Panel Purchases - I/C	5020	5600.301	882.00			
9	7/31/2020	Interest & Bank Charges	5690	5600.301	9.38			
		To adjust intercompany accounts to actual.						
10	7/31/2020	Accrued Liabilities	2105	6105		58,067.09		
10	7/31/2020	GST/HST Paid on Purchases	2315	6105	2,765.10			
10	7/31/2020	Accounting & Legal	5610	6105	55,301.99			
		To record legal expenses payable.						
					390,770.55	390,770.55		
Net Income (Loss)			(54,827.21)					

GroundWorks Safety Systems Inc.

Year End: July 31, 2020

Reclassifying Journal Entries

Date: 8/1/2019 To 7/31/2020

Prepared by	Detail Review	General Review	Tax Review
SMM 10/28/2020	KC 10/29/2020		

8020

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
3	7/31/2020	TD 35831 Chequing Acct - CAD	1040	5001		27,054.90		
3	7/31/2020	GST/HST Adjustments	2325	5001	27,054.90			
To reclassify GST remittance amounts.								
					27,054.90	27,054.90		
Net Income (Loss)			(54,827.21)					



CLIENT'S COPY

CLIENT: GroundWorks Safety Systems Inc.

YEAR END: July 31, 2020

RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
T +1403 342 5541
F +1403 347 3766

Signatures: An authorized signing officer should complete the certification section of the original copies (enclosed) of each of the following forms:

<u>Form</u>	<u>Description</u>
T183	Information Return for Electronic Filing

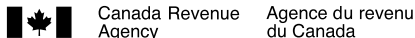
Filing The T2 is required to be filed electronically. Please return a signed T183 Information Return for Electronic Filing form to us so that we may transmit the return.

Payment of Tax	Tax payments (refunds) for the current year are due as follows:	<u>Payable</u>	<u>Refund</u>
	Federal (payable to Receiver General for Canada)	\$ <u>-</u>	\$ <u>-</u>
	Alberta Provincial (payable to Government of Alberta)	\$ <u>-</u>	\$ <u>-</u>

Tax Instalments Based on your company's income for the July 31, 2020 fiscal year end, instalments for the fiscal year ended July 31, 2021 are

Not required Required as shown on the attached schedule (subject to any payments which have been made to date)

Other Copies of the required returns and related schedules are enclosed for your records. The returns have been prepared from information and records you have supplied, and should be reviewed by you for completeness before filing.



T2 Corporation Income Tax Return

200

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporation return.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations. This return may contain changes that had not yet become law at the time of publication.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre. You have to file the return within six months after the end of the corporation's tax year.

For more information see canada.ca/taxes or Guide T4012, T2 Corporation – Income Tax Guide.

055 Do not use this area

Identification

Business number (BN) 001 80561 3726 RC0001	
Corporation's name 002 GroundWorks Safety Systems Inc.	To which tax year does this return apply? Tax year start Year Month Day 060 2019-08-01 Tax year-end Year Month Day 061 2020-07-31
Address of head office Has this address changed since the last time we were notified? 010 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 011 to 018. 011 4207 53 Street Close 012 City 015 Innisfail Province, territory, or state 016 AB Country (other than Canada) 017 Postal or ZIP code 018 T4G 1P9	Has there been an acquisition of control resulting in the application of subsection 249(4) since the tax year start on line 060? 063 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , provide the date control was acquired 065 Year Month Day
Mailing address (if different from head office address) Has this address changed since the last time we were notified? 020 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 021 to 028. 021 c/o 022 023 City 025 Province, territory, or state 026 Country (other than Canada) 027 Postal or ZIP code 028	Is the date on line 061 a deemed tax year-end according to subsection 249(3.1)? 066 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is the corporation a professional corporation that is a member of a partnership? 067 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is this the first year of filing after: Incorporation? 070 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Amalgamation? 071 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 030 to 038 and attach Schedule 24.
Location of books and records (if different from head office address) Has this address changed since the last time we were notified? 030 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete lines 031 to 038. 031 032 City 035 Province, territory, or state 036 Country (other than Canada) 037 Postal or ZIP code 038	Has there been a wind-up of a subsidiary under section 88 during the current tax year? 072 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete and attach Schedule 24. Is this the final tax year before amalgamation? 076 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Is this the final return up to dissolution? 078 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If an election was made under section 261, state the functional currency used 079
040 Type of corporation at the end of the tax year (tick one) <input checked="" type="checkbox"/> 1 Canadian-controlled private corporation (CCPC) <input type="checkbox"/> 2 Other private corporation <input type="checkbox"/> 3 Public corporation <input type="checkbox"/> 4 Corporation controlled by a public corporation <input type="checkbox"/> 5 Other corporation (specify) _____ If the type of corporation changed during the tax year, provide the effective date of the change 043 Year Month Day	Is the corporation a resident of Canada? 080 Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If no , give the country of residence on line 081 and complete and attach Schedule 97. 081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes , complete and attach Schedule 91. If the corporation is exempt from tax under section 149, tick one of the following boxes: 085 <input type="checkbox"/> 1 Exempt under paragraph 149(1)(e) or (l) <input type="checkbox"/> 2 Exempt under paragraph 149(1)(j) <input type="checkbox"/> 3 Exempt under paragraph 149(1)(t) (for tax years starting before 2019) <input type="checkbox"/> 4 Exempt under other paragraphs of section 149
Do not use this area	
095	096
898	

Attachments

Financial statement information: Use GIFL schedules 100, 125, and 141.

Schedules – Answer the following questions. For each **yes** response, **attach** the schedule to the T2 return, unless otherwise instructed.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Is the corporation an associated CCPC?	<input checked="" type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	<input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	<input type="checkbox"/>	19
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	<input type="checkbox"/>	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust (without reference to section 94)?	<input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the Income Tax Regulations?	<input type="checkbox"/>	29
Did the corporation have a total amount over CAN\$1 million of reportable transactions with non-arm's length non-residents?	<input type="checkbox"/>	T106
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
Does the corporation earn income from one or more Internet web pages or websites?	<input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	<input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	<input type="checkbox"/>	6
i) Is the corporation a CCPC and reporting a) income or loss from property (other than dividends deductible on line 320 of the T2 return), b) income from a partnership, c) income from a foreign business, d) income from a personal services business, e) income referred to in clause 125(1)(a)(i)(C) or 125(1)(a)(i)(B), f) aggregate investment income as defined in subsection 129(4), or g) an amount assigned to it under subsection 125(3.2) or 125(8); or		
ii) Is the corporation a member of a partnership and assigning its specified partnership business limit to a designated member under subsection 125(8)?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or a provincial credit union tax reduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	<input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	<input type="checkbox"/>	33/34/35
Is the total taxable capital employed in Canada of the corporation and its associated corporations over \$10,000,000?	<input type="checkbox"/>	
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II tax for the tobacco manufacturers' surcharge?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	<input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	<input type="checkbox"/>	T 1134
Did the corporation own or hold specified foreign property where the total cost amount of all such property, at any time in the year, was more than CAN\$100,000?	<input type="checkbox"/>	T 1135
Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T 1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T 1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T 1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T 1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T 1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	<input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	<input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	<input type="checkbox"/>	T2002
Did the corporation (CCPC or deposit insurance corporation (DIC)) pay eligible dividends, or did its general rate income pool (GRIP) change in the tax year?	<input type="checkbox"/>	53
Did the corporation (other than a CCPC or DIC) pay eligible dividends, or did its low rate income pool (LRIP) change in the tax year?	<input type="checkbox"/>	54

Additional information

Did the corporation use the International Financial Reporting Standards (IFRS) when it prepared its financial statements?	270	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is the corporation inactive?	280	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
What is the corporation's main revenue-generating business activity?		332439 Other Metal Container Manufacturing	
Specify the principal products mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284	Distributor of trench boxes	285 100.000 %
	286		287 %
	288		289 %
Did the corporation immigrate to Canada during the tax year?	291	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the tax year?	292	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Do you want to be considered as a quarterly instalment remitter if you are eligible?	293	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If the corporation was eligible to remit instalments on a quarterly basis for part of the tax year, provide the date the corporation ceased to be eligible	294	Year Month Day	
If the corporation's major business activity is construction, did you have any subcontractors during the tax year?	295	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	300	78,860	A
Deduct:			
Charitable donations from Schedule 2	311		
Cultural gifts from Schedule 2	313		
Ecological gifts from Schedule 2	314		
Gifts of medicine made before March 22, 2017, from Schedule 2	315		
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	320		
Part VI.1 tax deduction*	325		
Non-capital losses of previous tax years from Schedule 4	331	78,860	
Net capital losses of previous tax years from Schedule 4	332		
Restricted farm losses of previous tax years from Schedule 4	333		
Farm losses of previous tax years from Schedule 4	334		
Limited partnership losses of previous tax years from Schedule 4	335		
Taxable capital gains or taxable dividends allocated from a central credit union	340		
Prospector's and grubstaker's shares	350		
Employer deduction for non-qualified securities under an employee stock options agreement			
		^a 78,860	B
		Subtotal (amount A minus amount B) (if negative, enter "0")	C
Section 110.5 additions or subparagraph 115(1)(a)(vii) additions	355		D
Taxable income (amount C plus amount D)	360		
Income exempt under paragraph 149(1)(t) (for tax years starting before 2019)	370		
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)			Z
Taxable income for the year from a personal services business			Z.1

* This amount is equal to 3.5 times the Part VI.1 tax payable at line 724 on page 9.

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the tax year

Income eligible for the small business deduction from Schedule 7	400	78,860	A
Taxable income from line 360 on page 3, minus 100/28 (3.57143) of the amount on line 632* on page 8, minus 4 times the amount on line 636** on page 8, and minus any amount that, because of federal law, is exempt from Part I tax	405		B
Business limit (see notes 1 and 2 below)	410	124,999	C

- Notes:**
- For CCPCs that are not associated, enter \$ 500,000 on line 410. However, if the corporation's tax year is less than 51 weeks, prorate this amount by the number of days in the tax year **divided** by 365, and enter the result on line 410.
 - For associated CCPCs, use Schedule 23 to calculate the amount to be entered on line 410.

Business limit reduction

Taxable capital business limit reduction

Amount C 124,999 x **415** *** = 11,250 D = E

Passive income business limit reduction

Adjusted aggregate investment income from Schedule 7**** . **417** - 50,000 = F

Amount C 124,999 x Amount F = G
100,000

Subtotal (the greater of amount E and amount G) **422** H

Reduced business limit for tax years starting before 2019 (amount C **minus** amount E) (if negative, enter "0") **425** I

Reduced business limit for tax years starting after 2018 (amount C **minus** amount H) (if negative, enter "0") **426** 124,999 J

Business limit the CCPC assigns under subsection 125(3.2) (from line 515 on page 5) K

Reduced business limit after assignment for tax years starting before 2019 (amount I **minus** amount K) **427** L

Reduced business limit after assignment for tax years starting after 2018 (amount J **minus** amount K) **428** 124,999 M

Small business deduction

Tax years starting before 2019

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year before January 1, 2018}}{\text{Number of days in the tax year}}$ x 17.5 % = 1
366

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2017, and before January 1, 2019}}{\text{Number of days in the tax year}}$ x 18 % = 2
366

Amount A, B, C, or L, whichever is the least x $\frac{\text{Number of days in the tax year after December 31, 2018}}{\text{Number of days in the tax year}}$ x 19 % = 3
366

Tax years starting after 2018

Amount A, B, C, or M, whichever is the least x 19 % = 4

Small business deduction (total of amounts 1 to 4) **430** N

Enter amount N at amount J on page 8.

- * Calculate the amount of foreign non-business income tax credit deductible on line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible on line 636 without reference to the corporation tax reductions under section 123.4.

***** Large corporations**

- If the corporation is not associated with any corporations in both the current and previous tax years, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **prior** year **minus** \$10,000,000) x 0.225%.
- If the corporation is not associated with any corporations in the current tax year, but was associated in the previous tax year, the amount to be entered on line 415 is: (total taxable capital employed in Canada for the **current** year **minus** \$10,000,000) x 0.225%.
- For corporations associated in the current tax year, see Schedule 23 for the special rules that apply.

**** Enter the total adjusted aggregate investment income of the corporation and all associated corporations. Each corporation with such income has to file a Schedule 7, which includes a line 744 and a line 745. For the first tax year starting after 2018, use the total of lines 744. Otherwise, use the total of lines 745 of the preceding tax year.

Small business deduction (continued)

Specified corporate income and assignment under subsection 125(3.2)

O1 Name of corporation receiving the income and assigned amount	O Business number of the corporation receiving the assigned amount	P Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column O ³	Q Business limit assigned to corporation identified in column O ⁴
1.	490	500	505
Total		510	515

Notes:

- This amount is [as defined in subsection 125(7) **specified corporate income** (a)(i)] the total of all amounts each of which is income from an active business of the corporation for the year from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if (A) at any time in the year, the corporation (or one of its shareholders) or a person who does not deal at arm's length with the corporation (or one of its shareholders) holds a direct or indirect interest in the private corporation, and (B) it is not the case that all or substantially all of the corporation's income for the year from an active business is from the provision of services or property to
 - persons (other than the private corporation) with which the corporation deals at arm's length, or
 - partnerships with which the corporation deals at arm's length, other than a partnership in which a person that does not deal at arm's length with the corporation holds a direct or indirect interest.
- The amount of the business limit you assign to a CCPC cannot be greater than the amount determined by the formula A – B, where A is the amount of income referred to in column P in respect of that CCPC and B is the portion of the amount described in A that is deductible by you in respect of the amount of income referred to in clauses 125(1)(a)(i)(A) or (B) for the year. The amount on line 515 cannot be greater than the amount on line 425 (426 for tax years starting after 2018).

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	A
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	_____	B
Amount 13K from Part 13 of Schedule 27	_____	C
Personal services business income	432	D
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least	_____	E
Aggregate investment income from line 440 on page 6*	_____	F
Subtotal (add amounts B to F)	_____	G
Amount A minus amount G (if negative, enter "0")	_____	H

General tax reduction for Canadian-controlled private corporations – Amount H multiplied by 13 % _____ I
Enter amount I on line 638 on page 8.

* Except for a corporation that is, throughout the year, a cooperative corporation (within the meaning assigned by subsection 136(2)) or a credit union.

General tax reduction

Do not complete this area if you are a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or any corporation with taxable income that is not subject to the corporation tax rate of 38%.

Taxable income from page 3 (line 360 or amount Z, whichever applies)	_____	J
Lesser of amounts 9B and 9H from Part 9 of Schedule 27	_____	K
Amount 13K from Part 13 of Schedule 27	_____	L
Personal services business income	434	M
Subtotal (add amounts K to M)	_____	N
Amount J minus amount N (if negative, enter "0")	_____	O

General tax reduction – Amount O multiplied by 13 % _____ P
Enter amount P on line 639 on page 8.

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the tax year

Aggregate investment income from Schedule 7 **440** x 30 2 / 3 % = A

Foreign non-business income tax credit from line 632 on page 8 B

Foreign investment income from Schedule 7 **445** x 8 % = C

Subtotal (amount B **minus** amount C) (if negative, enter "0") **▶** D

Amount A **minus** amount D (if negative, enter "0") **=====** E

Taxable income from line 360 on page 3 F

Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least G

Foreign non-business income tax credit from line 632 on page 8 x 75 / 29 = H

Foreign business income tax credit from line 636 on page 8 x 4 = I

Subtotal (**add** amounts G to I) **▶** J

Subtotal (amount F **minus** amount J) (if negative, enter "0") **=====** K x 30 2 / 3 % = L

Part I tax payable minus investment tax credit refund (line 700 **minus** line 780 from page 9) **=====** M

Refundable portion of Part I tax – Amount E, L, or M, whichever is the least **450** **=====** N

Refundable dividend tax on hand (for tax years starting before 2019)

Refundable dividend tax on hand at the end of the previous tax year **460**

Dividend refund for the previous tax year **465**

Subtotal (line 460 **minus** line 465) **▶** O

Refundable portion of Part I tax from line 450 above P

Total Part IV tax payable from Schedule 3 Q

Net refundable dividend tax on hand transferred on an amalgamation or the wind-up of a subsidiary **480**

Subtotal (amount P **plus** amount Q **plus** line 480) **▶** R

Refundable dividend tax on hand at the end of the tax year – Amount O **plus** amount R **485** **=====**

Dividend refund (for tax years starting before 2019)

Private and subject corporations at the time taxable dividends were paid in the tax year

Taxable dividends paid in the tax year from line 460 on page 3 of Schedule 3 x 38 1 / 3 % = S

Refundable dividend tax on hand at the end of the tax year from line 485 above **=====** T

Dividend refund – Amount S or T, whichever is less **=====** U

Enter amount U on line 784 on page 9.

Refundable dividend tax on hand (for tax years starting after 2018)

Refundable dividend tax on hand (RDTOH) at the end of the previous tax year	460	
Dividend refund for the previous tax year	465	
Net RDTOH transferred on an amalgamation or the wind-up of a subsidiary	480	
Subtotal (line 460 minus line 465 plus line 480)		A
General rate income pool (GRIP) at the end of the previous tax year (from line 100 of schedule 53)		B
Total eligible dividends paid in the previous tax year (from line 300 of schedule 53)		C
Total excessive eligible dividend designation in the previous tax year (from line 310 of Schedule 53)		D
Subtotal (amount C minus amount D) (if negative, enter "0")		E
Net GRIP at the end of the previous tax year (amount B minus amount E) (if negative, enter "0")		F
GRIP transferred on an amalgamation or the wind-up of a subsidiary (total of lines 230 and 240 of schedule 53)		G
Subtotal (amount F plus amount G)		H
Amount H multiplied by 38 1 / 3 %		I
Eligible refundable dividend tax on hand (ERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A or I, whichever is less, otherwise, use line 530 of the preceding tax year)	520	J
Non-eligible refundable dividend tax on hand (NERDTOH) at the end of the previous tax year (for the first tax year starting after 2018, amount A minus amount I, otherwise, use line 545 of the preceding tax year) (if negative, enter "0")	535	K
Part IV tax payable on taxable dividends from connected corporations (amount 2G from Schedule 3)		L
Part IV tax payable on eligible dividends from non-connected corporations (amount 2J from Schedule 3)		M
Subtotal (amount L plus amount M)		N
Net ERDTOH transferred on an amalgamation or the wind-up of a subsidiary	525	O
ERDTOH dividend refund for the previous tax year	570	P
Refundable portion of Part I tax (from line 450 on page 6)		Q
Part IV tax before deductions (amount 2A from Schedule 3)		R
Part IV tax allocated to ERDTOH (amount N)		S
Part IV tax reduction due to Part IV.1 tax payable (amount 4D of Schedule 43)		T
Subtotal (amount R minus total of amounts S and T)		U
Net NERDTOH transferred on an amalgamation or the wind-up of a subsidiary	540	V
NERDTOH dividend refund for the previous tax year	575	W
38 1/3% of the total losses applied against Part IV tax (amount 2D from Schedule 3)		X
Part IV tax payable allocated to NERDTOH, net of losses claimed (amount U minus amount X) (if negative enter "0")		Y
NERDTOH at the end of the tax year* (total of amounts K, Q, V, and Y minus amount W) (if negative, enter "0")	545	Z
Part IV tax payable allocated to ERDTOH, net of losses claimed (amount N minus the amount, if any, by which amount X exceeds amount U) (if negative, enter "0")		
ERDTOH at the end of the tax year* (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530	

* For more information, consult the Help (F1).

Dividend refund (for tax years starting after 2018)

38 1/3% of total eligible dividends paid in the tax year (amount 3A from Schedule 3)		AA
ERDTOH balance at the end of the tax year (line 530)		BB
Eligible dividend refund (amount AA or BB, whichever is less)		CC
38 1/3% of total non-eligible taxable dividends paid in the tax year (amount 3B from Schedule 3)		DD
NERDTOH balance at the end of the tax year (line 545)		EE
Non-eligible dividend refund (amount DD or EE, whichever is less)		FF
Amount DD minus amount EE (if negative, enter "0")		GG
Amount BB minus amount CC (if negative, enter "0")		HH
Additional non-eligible dividend refund (amount GG or HH, whichever is less)		II
Dividend refund* – Amount CC plus amount FF plus amount II		JJ
Enter amount JJ on line 784 on page 9.		

* For more information, consult the Help (F1).

Part I tax

Base amount Part I tax – Taxable income from page 3 (line 360 or amount Z, whichever applies) **multiplied** by 38 % **550** _____ A

Additional tax on personal services business income (section 123.5)

Taxable income from a personal services business **555** _____ x 5 % = **560** _____ B

Recapture of investment tax credit from Schedule 31 **602** _____ C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(if it was a CCPC throughout the tax year)

Aggregate investment income from line 440 on page 6 _____ D

Taxable income from line 360 on page 3 _____ E

Deduct:
Amount from line 400, 405, 410, or 427 (428 instead of 427 for tax years starting after 2018) on page 4, whichever is the least _____ F

Net amount (amount E **minus** amount F) _____ **▶** _____ G

Refundable tax on CCPC's investment income – 10 2 / 3 % of whichever is less: amount D or amount G **604** _____ H

Subtotal (**add** amounts A, B, C, and H) _____ I

Deduct:
Small business deduction from line 430 on page 4 _____ J

Federal tax abatement **608** _____

Manufacturing and processing profits deduction from Schedule 27 **616** _____

Investment corporation deduction **620** _____

Taxed capital gains **624** _____

Federal foreign non-business income tax credit from Schedule 21 **632** _____

Federal foreign business income tax credit from Schedule 21 **636** _____

General tax reduction for CCPCs from amount I on page 5 **638** _____

General tax reduction from amount P on page 5 **639** _____

Federal logging tax credit from Schedule 21 **640** _____

Eligible Canadian bank deduction under section 125.21 **641** _____

Federal qualifying environmental trust tax credit **648** _____

Investment tax credit from Schedule 31 **652** _____

Subtotal _____ **▶** _____ K

Part I tax payable – Amount I **minus** amount K _____ L

Enter amount L on line 700 on page 9.

Privacy statement

Personal information (including the SIN) is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities such as administering tax and benefits, audit, compliance, and collection. Personal information may be shared for purposes of other federal acts that provide for the imposition and collection of a tax or duty. Personal information may also be shared with other federal, provincial, territorial or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties or other actions. Under the Privacy Act, individuals have the right to access their personal information, request correction, or file a complaint to the Privacy Commissioner of Canada regarding the handling of the individual's personal information. Refer to Personal Information Bank CRA PPU 047 at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Part I tax payable from amount L on page 8	700
Part II surcharge payable from Schedule 46	708
Part III.1 tax payable from Schedule 55	710
Part IV tax payable from Schedule 3	712
Part IV.1 tax payable from Schedule 43	716
Part VI tax payable from Schedule 38	720
Part VI.1 tax payable from Schedule 43	724
Part XIII.1 tax payable from Schedule 92	727
Part XIV tax payable from Schedule 20	728

Total federal tax _____

Add provincial or territorial tax:

Provincial or territorial jurisdiction **750** AB
 (if more than one jurisdiction, enter "multiple" and complete Schedule 5)
 Net provincial or territorial tax payable (except Quebec and Alberta) _____

Total tax payable **760** **770** A

Deduct other credits:

Investment tax credit refund from Schedule 31	780
Dividend refund from amount U on page 6 or JJ on page 7	784
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
Canadian film or video production tax credit (Form T1131)	796
Film or video production services tax credit (Form T1177)	797
Canadian journalism labour tax credit from Schedule 58	798
Tax withheld at source	800

Total payments on which tax has been withheld **801**

Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Tax instalments paid	840

Total credits **890** B

Refund code **894** _____

Refund _____

Balance (amount A minus amount B) _____

If the result is negative, you have a **refund**.
 If the result is positive, you have a **balance owing**.
 Enter the amount on whichever line applies.
 Generally, we do not charge or refund a difference of \$2 or less.

Balance owing _____

For information on how to make your payment, go to canada.ca/payments.

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

Start Change information **910** _____
 Branch number

914 _____ **918** _____
 Institution number Account number

If the corporation is a Canadian-controlled private corporation throughout the tax year, does it qualify for the one-month extension of the date the balance of tax is due? **896** Yes No

If this return was prepared by a tax preparer for a fee, provide their EFILE number **920** S7047

PREPARED SOLELY FOR INCOME TAX PURPOSES WITHOUT AUDIT OR REVIEW FROM INFORMATION PROVIDED BY THE TAXPAYER.

Certification

I, **950** Foley Last name **951** James First name **954** Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I also certify that the method of calculating income for this tax year is consistent with that of the previous tax year except as specifically disclosed in a statement attached to this return.

955 2020-11-12 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation **956** (403) 227-1001 Telephone number

Is the contact person the same as the authorized signing officer? If **no**, complete the information below **957** Yes No

958 _____ Name of other authorized person **959** _____ Telephone number

Language of correspondence – Langue de correspondance

Indicate your language of correspondence by entering **1** for English or **2** for French.
 Indiquez votre langue de correspondance en inscrivant **1** pour anglais ou **2** pour français. **990** 1 2

Net Income (Loss) for Income Tax Purposes

Schedule 1

Corporation's name GroundWorks Safety Systems Inc.	Business number 80561 3726 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this schedule to reconcile the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes. For more information, see the T2 Corporation – Income Tax Guide.
- All legislative references are to the Income Tax Act.

Net income (loss) after taxes and extraordinary items from line 9999 of Schedule 125 **-54,828** A

Add:

Interest and penalties on taxes	103	<u>1</u>	
Amortization of tangible assets	104	<u>122,412</u>	
Subtotal of additions		122,413 ▶	<u>122,413</u>

Other additions:

Miscellaneous other additions:

	1 Description	2 Amount		
	605			
1	Unrealized foreign exchange	11,275		
	Total of column 2	<u>11,275</u>	▶ 296	<u>11,275</u>
			Subtotal of other additions	▶ 199 <u>11,275</u> ▶ <u>11,275</u> D
			Total additions	▶ 500 <u>133,688</u> ▶ <u>133,688</u>

Amount A plus line 500 **78,860** B

Deduct:

Subtotal of deductions ▶

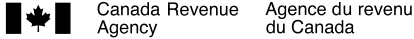
Other deductions:

Miscellaneous other deductions:

	1 Description	2 Amount		
	705			
	Total of column 2	<u>395</u>	▶ 396	
			Subtotal of other deductions	▶ 499 <u>0</u> ▶ <u>0</u> E
			Total deductions	▶ 510 <u>0</u> ▶ <u>0</u>

Net income (loss) for income tax purposes (amount B minus line 510) **78,860** C

Enter amount C on line 300 of the T2 return.



Corporation Loss Continuity and Application

Corporation's name GroundWorks Safety Systems Inc.	Business number 80561 3726 RC0001	Tax year-end Year Month Day 2020-07-31
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- Use this form to determine the continuity and use of available losses; to determine a current-year non-capital loss, farm loss, restricted farm loss, or limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that can be applied in a year; and to ask for a loss carryback to previous years.
- A corporation can choose whether or not to deduct an available loss from income in a tax year. The corporation can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- According to subsection 111(4) of the *Income Tax Act*, when control has been acquired, no amount of capital loss incurred for a tax year ending before that time is deductible in computing taxable income in a tax year ending after that time. Also, no amount of capital loss incurred in a tax year ending after that time is deductible in computing taxable income of a tax year ending before that time.
- When control has been acquired, subsection 111(5) provides for similar treatment of non-capital and farm losses, except as listed in paragraphs 111(5)(a) and (b).
- For information on these losses, see the *T2 Corporation – Income Tax Guide*.
- File one completed copy of this schedule with the T2 return, or send the schedule by itself to the tax centre where the return is filed.
- All legislative references are to the *Income Tax Act*.

Part 1 – Non-capital losses

Determination of current-year non-capital loss

Net income (loss) for income tax purposes 78,860 A

Deduct: (increase a loss)

Net capital losses deducted in the year (enter as a positive amount) a

Taxable dividends deductible under section 112 or subsections 113(1) or 138(6) b

Amount of Part VI.1 tax deductible under paragraph 110(1)(k) c

Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2) d

Amount of an employer for non-qualified securities under an employee stock options agreement deductible under paragraph 110(1)(e) 1d

Subtotal (total of amounts a to 1d) B

Subtotal (amount A **minus** amount B; if positive, enter "0") C

Deduct: (increase a loss)

Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions D

Subtotal (amount C **minus** amount D) E

Add: (decrease a loss)

Current-year farm loss (the lesser of: the net loss from farming or fishing included in income and the non-capital loss before deducting the farm loss) F

Current-year non-capital loss (amount E **plus** amount F; if positive, enter "0") G

If amount G is negative, enter it on line 110 as a positive.

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of the previous tax year 603,248 e

Deduct: Non-capital loss expired (note 1) **100** f

Non-capital losses at the beginning of the tax year (amount e **minus** amount f) **102** 603,248 H

Add:

Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation **105** g

Current-year non-capital loss (from amount G) **110** h

Subtotal (amount g **plus** amount h) I

Subtotal (amount H **plus** amount I) 603,248 J

Note 1: A non-capital loss expires as follows:

- after **10** tax years if it arose in a tax year ending after March 22, 2004, and before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

An allowable business investment loss becomes a net capital loss after **10** tax years if it arose in a tax year ending after March 22, 2004.

Note 2: Subsidiary is defined in subsection 88(1) as a taxable Canadian corporation of which 90% or more of each class of issued shares are owned by its parent corporation and the remaining shares are owned by persons that deal at arm's length with the parent corporation.

Part 1 – Non-capital losses (continued)

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	150	i
Section 80 – Adjustments for forgiven amounts	140	j
Subsection 111(10) – Adjustments for fuel tax rebate		j.1
Non-capital losses of previous tax years applied in the current tax year	130	78,860 k
Enter amount k on line 331 of the T2 Return.		
Current and previous year non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3)	135	l
Subtotal (total of amounts i to l)		78,860 ▶ 78,860 K
Non-capital losses before any request for a carryback (amount J minus amount K)		524,388 L

Deduct – Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	m
Second previous tax year to reduce taxable income	902	n
Third previous tax year to reduce taxable income	903	o
First previous tax year to reduce taxable dividends subject to Part IV tax	911	p
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	q
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	r
Total of requests to carry back non-capital losses to previous tax years (total of amounts m to r)		▶ M
Closing balance of non-capital losses to be carried forward to future tax years (amount L minus amount M)		180 524,388 N

Note 3: Amount l is the total of lines 330 and 335 from Schedule 3, *Dividends Received, Taxable Dividends Paid, and Part IV Tax Calculation*.

Part 2 – Capital losses

Continuity of capital losses and request for a carryback

Capital losses at the end of the previous tax year	200	a
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	b
Subtotal (amount a plus amount b)		▶ A

Deduct:

Other adjustments (includes adjustments for an acquisition of control)	250	c
Section 80 – Adjustments for forgiven amounts	240	d
Subtotal (amount c plus amount d)		▶ B
Subtotal (amount A minus amount B)		C

Add: Current-year capital loss (from the calculation on Schedule 6, *Summary of Dispositions of Capital Property*) 210 D

Unused non-capital losses that expired in the tax year (note 4)		e
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		f
Enter amount e or f, whichever is less	215	g
ABILs expired as non-capital losses: line 215 multiplied by 2.000000		220 E
Subtotal (total of amounts C to E)		F

Note

If there has been an amalgamation or a wind-up of a subsidiary, do a separate calculation of the ABIL expired as non-capital loss for each predecessor or subsidiary corporation. Add all these amounts and enter the total on line 220 above.

Note 4: If the loss was incurred in a tax year ending after March 22, 2004, determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not used in previous years and the current year on line e.

Note 5: If the ABILs were incurred in a tax year ending after March 22, 2004, enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on line f.

Part 2 – Capital losses (continued)

Deduct: Capital losses from previous tax years applied against the current-year net capital gain (note 6) **225** _____ G
 Capital losses before any request for a carryback (amount F **minus** amount G) _____ H

Deduct – Request to carry back capital loss to (note 7):

	Capital gain (100%)	Amount carried back (100%)	
First previous tax year	951	_____	h
Second previous tax year	952	_____	i
Third previous tax year	953	_____	j
	Subtotal (total of amounts h to j) _____		I
	Closing balance of capital losses to be carried forward to future tax years (amount H minus amount I) 280		J

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current-year tax, enter the amount from line 225 **divided** by 2 at line 332 of the T2 return.

Note 7: On line 225, 951, 952, or 953, whichever applies, enter the actual amount of the loss. When the loss is applied, divide this amount by 2. The result represents the 50% inclusion rate.

Part 3 – Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year _____ a
Deduct: Farm loss expired (note 8) **300** _____ b
 Farm losses at the beginning of the tax year (amount a **minus** amount b) **302** _____ A

Add:

Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation ... **305** _____ c
 Current-year farm loss (amount F in Part 1) **310** _____ d
 Subtotal (amount c **plus** amount d) _____ B
 Subtotal (amount A **plus** amount B) _____ C

Deduct:

Other adjustments (includes adjustments for an acquisition of control) **350** _____ e
 Section 80 – Adjustments for forgiven amounts **340** _____ f
 Farm losses of previous tax years applied in the current tax year **330** _____ g
 Enter amount g on line 334 of the T2 Return.
 Current and previous year farm losses applied against current-year taxable dividends subject to Part IV tax (note 9) **335** _____ h
 Subtotal (total of amounts e to h) _____ D
 Farm losses before any request for a carryback (amount C **minus** amount D) _____ E

Deduct – Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	_____	i
Second previous tax year to reduce taxable income	922	_____	j
Third previous tax year to reduce taxable income	923	_____	k
First previous tax year to reduce taxable dividends subject to Part IV tax	931	_____	l
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	_____	m
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	_____	n
	Subtotal (total of amounts i to n) _____		F
	Closing balance of farm losses to be carried forward to future tax years (amount E minus amount F) 380		G

Note 8: A farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Note 9: Amount h is the total of lines 340 and 345 from Schedule 3.

Part 4 – Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business	485	A
Minus the deductible farm loss:		
(amount A above _____ – \$2,500) divided by 2 = _____ a		
Amount a or \$ 15,000 (note 10), whichever is less		b
	2,500	c
Subtotal (amount b plus amount c)	2,500	B
Current-year restricted farm loss (amount A minus amount B)		C

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		d
Deduct: Restricted farm loss expired (note 11)	400	e
Restricted farm losses at the beginning of the tax year (amount d minus amount e)	402	D
Add:		
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405	f
Current-year restricted farm loss (from amount C)	410	g
Enter amount g on line 233 of Schedule 1, <i>Net Income (Loss) for Income Tax Purposes</i> .		
Subtotal (amount f plus amount g)		E
Subtotal (amount D plus amount E)		F

Deduct:

Restricted farm losses from previous tax years applied against current farming income	430	h
Enter amount h on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	i
Other adjustments	450	j
Subtotal (total of amounts h to j)		G
Restricted farm losses before any request for a carryback (amount F minus amount G)		H

Deduct – Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	k
Second previous tax year to reduce farming income	942	l
Third previous tax year to reduce farming income	943	m
Subtotal (total of amounts k to m)		I
Closing balance of restricted farm losses to be carried forward to future tax years (amount H minus amount I)	480	J

Note

The total losses for the year from all farming businesses are calculated without including scientific research expenses.

Note 10: For tax years that end before March 21, 2013, use \$6,250 instead of \$15,000.

Note 11: A restricted farm loss expires as follows:

- after **10** tax years if it arose in a tax year ending before 2006; and
- after **20** tax years if it arose in a tax year ending after 2005.

Part 5 – Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at the end of the previous tax year a

Deduct: Listed personal property loss expired after 7 tax years **500** b

Listed personal property losses at the beginning of the tax year (amount a **minus** amount b) ... **502** **A**

Add: Current-year listed personal property loss (from Schedule 6) **510** **B**

Subtotal (amount A **plus** amount B) **C**

Deduct:

Listed personal property losses from previous tax years applied against listed personal property gains **530** c
Enter amount c on line 655 of Schedule 6.

Other adjustments **550** d

Subtotal (amount c **plus** amount d) **D**

Listed personal property losses remaining before any request for a carryback (amount C **minus** amount D) **E**

Deduct – Request to carry back listed personal property loss to:

First previous tax year to reduce listed personal property gains **961** e

Second previous tax year to reduce listed personal property gains **962** f

Third previous tax year to reduce listed personal property gains **963** g

Subtotal (total of amounts e to g) **F**

Closing balance of listed personal property losses to be carried forward to future tax years (amount E **minus** amount F) **580** **G**

Part 7 – Limited partnership losses

Current-year limited partnership losses

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Corporation's share of limited partnership loss	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, farming losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Current -year limited partnership losses (column 3 minus column 6)
600	602	604	606	608		620

Total (enter this amount on line 222 of Schedule 1)

Limited partnership losses from previous tax years that may be applied in the current year

1	2	3	4	5	6	7
Partnership account number	Tax year ending yyyy/mm/dd	Limited partnership losses at the end of the previous tax year and amounts transferred on an amalgamation or on the wind-up of a subsidiary	Corporation's at-risk amount	Total of corporation's share of partnership investment tax credit, business or property losses, and resource expenses	Column 4 minus column 5 (if negative, enter "0")	Limited partnership losses that may be applied in the year (the lesser of columns 3 and 6)
630	632	634	636	638		650

Continuity of limited partnership losses that can be carried forward to future tax years

1	2	3	4	5	6
Partnership account number	Limited partnership losses at the end of the previous tax year	Limited partnership losses transferred in the year on an amalgamation or on the wind-up of a subsidiary	Current-year limited partnership losses (from line 620)	Limited partnership losses applied in the current year (must be equal to or less than line 650)	Current year limited partnership losses closing balance to be carried forward to future years (column 2 plus column 3 plus column 4 minus column 5)
660	662	664	670	675	680

Total (enter this amount on line 335 of the T2 return)

Note

If you need more space, you can attach more schedules.

Part 8 – Election under paragraph 88(1.1)(f)

If you are making an election under paragraph 88(1.1)(f), check the box **190** Yes

In the case of the wind-up of a subsidiary, if the election is made, the non-capital loss, restricted farm loss, farm loss, or limited partnership loss of the subsidiary—that otherwise would become the loss of the parent corporation for a particular tax year starting after the wind-up began—will be considered as the loss of the parent corporation for its immediately preceding tax year and not for the particular year.

Note

This election is only applicable for wind-ups under subsection 88(1) that are reported on Schedule 24, *First-Time Filer after Incorporation, Amalgamation, or Winding-up of a Subsidiary into a Parent*.

Non-Capital Loss Continuity Workchart

Part 6 – Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at beginning of year	Loss incurred in current year	Adjustments and transfers	Loss carried back Parts I & IV	Applied to reduce		Balance at end of year
					Taxable income	Part IV tax	
Current	N/A				N/A		
1st preceding taxation year 2019-07-31		N/A		N/A			
2nd preceding taxation year 2018-07-31	515,490	N/A		N/A			515,490
3rd preceding taxation year 2017-07-31	87,758	N/A		N/A	78,860		8,898
4th preceding taxation year 2016-07-31		N/A		N/A			
5th preceding taxation year 2015-07-31		N/A		N/A			
6th preceding taxation year 2015-06-24		N/A		N/A			
7th preceding taxation year 2013-07-31		N/A		N/A			
8th preceding taxation year 2012-07-31		N/A		N/A			
9th preceding taxation year 2011-07-31		N/A		N/A			
10th preceding taxation year 2010-07-31		N/A		N/A			
11th preceding taxation year 2009-07-31		N/A		N/A			
12th preceding taxation year 2008-07-31		N/A		N/A			
13th preceding taxation year 2007-07-31		N/A		N/A			
14th preceding taxation year 2006-07-31		N/A		N/A			
15th preceding taxation year 2005-07-31		N/A		N/A			
16th preceding taxation year 2004-07-31		N/A		N/A			
17th preceding taxation year 2003-07-31		N/A		N/A			
18th preceding taxation year 2002-07-31		N/A		N/A			
19th preceding taxation year 2001-07-31		N/A		N/A			
20th preceding taxation year 2000-07-31		N/A		N/A			*
Total	603,248				78,860		524,388

* This balance expires this year and will not be available next year.

Capital Cost Allowance (CCA)

Corporation's name GroundWorks Safety Systems Inc.	Business number 80561 3726 RC0001	Tax year-end Year Month Day 2020-07-31
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For more information, see the section called "Capital Cost Allowance" in the T2 Corporation Income Tax Guide.

Is the corporation electing under Regulation 1101(5q)? **101** Yes No

1 Class number * See note 1	Description	2 Undepreciated capital cost (UCC) at the beginning of the year	3 Cost of acquisitions during the year (new property must be available for use) See note 2	4 Cost of acquisitions from column 3 that are accelerated investment incentive properties (AIIP) See note 3	5 Adjustments and transfers See note 4	6 Amount from column 5 that is assistance received or receivable during the year for a property, subsequent to its disposition See note 5	7 Amount from column 5 that is repaid during the year for a property, subsequent to its disposition See note 6	8 Proceeds of dispositions See note 7	For tax years ending before November 21, 2018: 50% rule (1/2 of net acquisitions)
		201	203	225	205	221	222	207	211
1. 53		538,291						0	
Totals		538,291							

1 Class number * See note 1	Description	9 UCC (column 2 plus column 3 plus or minus column 5) minus column 8 See note 8	10 Proceeds of disposition available to reduce the UCC of AIIP (column 8 plus column 6 minus column 3 plus column 4 minus column 7) (if negative, enter "0")	11 Net capital cost additions of AIIP acquired during the year (column 4 minus column 10) (if negative, enter "0")	12 UCC adjustment for AIIP acquired during the year (column 11 multiplied by the relevant factor) See note 9	13 UCC adjustment for non-AIIP acquired during the year (0.5 multiplied by the result of column 3 minus column 4 minus column 6 plus column 7 minus column 8) (if negative, enter "0") See note 10	14 CCA rate % See note 11	15 Recapture of CCA See note 12	16 Terminal loss See note 13	17 CCA (for declining balance method, the result of column 9 plus column 12 minus column 13, multiplied by column 14 or a lower amount) See note 14	18 UCC at the end of the year (column 9 minus column 17)
		200				224	212	213	215	217	220
1. 53		538,291					50	0	0		538,291
Totals		538,291									538,291

Enter the total of column 15 on line 107 of Schedule 1.
Enter the total of column 16 on line 404 of Schedule 1.
Enter the total of column 17 on line 403 of Schedule 1.

- Note 1. If a class number has not been provided in Schedule II of the Income Tax Regulations for a particular class of property, use the subsection provided in Regulation 1101. Class numbers followed by a letter indicate the basic rate of the class taking into account the additional deduction allowed. Class 1a: 4% + 6% = 10% (class 1 to 10%), class 1b: 4% + 2% = 6% (class 1 to 6%).
- Note 2. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions of property in the class that are not subject to the 50% rule. See Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance, for exceptions to the 50% rule.
- Note 3. An accelerated investment incentive property (AIIP) is a property (other than property included in Class 54 or 55) that you acquired after November 20, 2018 and became available for use before 2028. See the T2 Corporation Income Tax Guide for more information. Classes 54 and 55 include property that is a zero-emission vehicle you acquired after March 18, 2019 and became available for use before 2028.
- Note 4. Enter in column 5, "Adjustments and transfers", amounts that increase or reduce the undepreciated capital cost (column 9). Items that increase the undepreciated capital cost include amounts transferred under section 85, or transferred on amalgamation or winding-up of a subsidiary. Items that reduce the undepreciated capital cost (show amounts that reduce the undepreciated capital cost in brackets) include government assistance received or entitled to be received in the year, or a reduction of capital cost after the application of section 80. See the T2 Corporation Income Tax Guide for other examples of adjustments and transfers to include in column 5.
- Note 5. Include all amounts of assistance you received (or were entitled to receive) after the disposition of a depreciable property that would have decreased the capital cost of the property by virtue of paragraph 13(7.1)(f) if received before the disposition.
- Note 6. Include all amounts you have repaid during the year with respect to any legally required repayment, made after the disposition of a corresponding property, of:
- assistance that would have otherwise increased the capital cost of the property under paragraph 13(7.1)(d); and
 - an inducement, assistance or any other amount contemplated in paragraph 12(1)(x) received, that otherwise would have increased the capital cost of the property under paragraph 13(7.4)(b).
- Also include the UCC of each property of a prescribed class acquired in the course of a corporate reorganization described under paragraph 55(3)(b) of the Act (also known as "butterfly reorganization") or in a non-arm's length transaction (other than by virtue of a right referred to in paragraph 251(5)(b) of the Act) if the property was a depreciable property acquired by the transferor less than 364 days before the end of your tax year.
- Note 7. For each property disposed of during the year, deduct from the proceeds of disposition any outlays and expenses to the extent that they were made or incurred for the purpose of making the disposition(s). The amount reported in respect of the property cannot exceed the property's capital cost, unless that property is a timber resource property as defined in subsection 13(21).
- Note 8. If the amount in column 5 reduces the undepreciated capital cost (i.e. it is shown in brackets), you must subtract it for the purposes of the calculation. Otherwise, add the amount in column 5 for the purposes of the calculation.
- Note 9. The relevant factors for AIIP of a class in Schedule II and for property included in classes 54 and 55, available for use before 2024, are:
- 2 1/3 for property in Classes 43.1 and 54;
 - 1 1/2 for property in Class 55;
 - 1 for property in Classes 43.2 and 53;
 - 0 for property in Classes 12, 13, 14, and 15, as well as properties that are Canadian vessels included in paragraph 1100(1)(v) of the Regulations (see note 14 for additional information); and
 - 0.5 for all other property that is AIIP.
- Note 10. The UCC adjustment for non-AIIP acquired during the year (formerly known as the half-year rule or 50% rule) does not apply to certain property (including AIIP). For special rules and exceptions, see Income Tax Folio S3-F4-C1, General Discussion of Capital Cost Allowance.
- Note 11. Enter a rate only if you are using the declining balance method. For any other method (for example the straight-line method, where calculations are always based on the cost of acquisitions), enter N/A. Then enter the amount you are claiming in column 17.
- Note 12. If the amount in column 9 is negative, you have a recapture of CCA. If applicable, enter the negative amount from column 9 in column 15 as a positive. The recapture rules do not apply to passenger vehicles in Class 10.1.
- Note 13. If no property is left in the class at the end of the tax year and there is still a positive amount in the column 9, you have a terminal loss. If applicable, enter the positive amount from column 9 in column 16. The terminal loss rules do not apply to:
- passenger vehicles in Class 10.1;
 - property in Class 14.1, unless you have ceased carrying on the business to which it relates; or
 - limited-period franchises, concessions, or licences in Class 14 if, at the time of acquisition, the property was a former property of the transferor or any similar property attributable to the same fixed place of business, and you had jointly elected with the transferor to have the replacement property rules apply.
- Note 14. If the tax year is shorter than 365 days, prorate the CCA claim. Some classes of property do not have to be prorated. See the T2 Corporation Income Tax Guide for more information. For property in class 10.1 disposed of during the year, deduct a maximum of 50% of the regular CCA deduction if you owned the property at the beginning of the tax year. For AIIP listed below, the maximum first year allowance you can claim is determined as follows:
- Class 13: the lesser of 150% of the amount calculated in Schedule III of the Regulations and the UCC at the end of the tax year (before any CCA deduction).
 - Class 14: the lesser of 150% of the allocation for the year of the capital cost of the property apportioned over the remaining life of the property (at the time the cost was incurred) and the UCC at the end of the tax year (before any CCA deduction).
 - Class 15: the lesser of 150% of an amount computed on the basis of a rate per cord, board foot or cubic metre cut in the tax year and the UCC at the end of the tax year (before any CCA deduction).
 - Canadian vessels described under paragraph 1100(1)(v) of the Regulations: the lesser of 50% of the capital cost of the property and the UCC at the end of the tax year (before any CCA deduction).
 - Class 41.2: use a 25% CCA rate. The additional allowance under paragraph 1100(1)(y.2)(for single mine properties) and 1100(1)(ya.2)(for multiple mine properties) of the Regulations is not eligible for the accelerated investment incentive. The additional allowance in respect of natural gas liquefaction under paragraph 1100(1)(yb) of the Regulations is eligible for the accelerated investment incentive.
 - Property (other than a timber resource property) that is a timber limit or a right to cut timber from a limit: 150% of the amount determined by first subtracting the total of the residual value of the timber limit and all amounts you expended for the 1949 or later tax years for surveys, cruises or preparation of prints, maps or plans for the purpose of obtaining a licence or right to cut timber from the capital cost of the limit or right, and then dividing the result by the quantity of timber in the limit or the quantity of timber you have the right to cut.
 - Industrial mineral mine or a right to remove industrial minerals from an industrial mineral mine: 150% of the amount determined by first subtracting the residual value, if any, of the mine or right from the capital cost of the mine or right, and then dividing the result by the number of units of commercially mineable material estimated to be in the mine when the mine or right was acquired (alternatively, if you have acquired a right to remove only a specified number of units, that number of units that you acquired a right to remove).

RELATED AND ASSOCIATED CORPORATIONS

Name of corporation GroundWorks Safety Systems Inc.	Business Number 80561 3726 RC0001	Tax year end Year Month Day 2020-07-31
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- Complete this schedule if the corporation is related to or associated with at least one other corporation.
- For more information, see the *T2 Corporation Income Tax Guide*.

	Name	Country of residence (other than Canada)	Business number (see note 1)	Relationship code (see note 2)	Number of common shares you own	% of common shares you own	Number of preferred shares you own	% of preferred shares you own	Book value of capital stock
	100	200	300	400	500	550	600	650	700
1.	The Generation Corporation		81513 1735 RC0001	1					
2.	Generation Steel Inc.		80785 5770 RC0001	3					
3.	Ellis Fabrications Inc.		87989 7312 RC0001	3					
4.	Generation Construction Corp.		86455 2419 RC0001	3					

Note 1: Enter "NR" if the corporation is not registered or does not have a business number.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related but not associated

Agreement Among Associated Canadian-Controlled Private Corporations to Allocate the Business Limit

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- An associated CCPC that has more than one tax year ending in a calendar year must file an agreement for each tax year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including those deemed to be associated under subsection 256(2) of the Income Tax Act.

Column 2: Provide the business number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the association code from the list below that applies to each corporation:

- 1 – Associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 – CCPC that is a **third corporation** as referred to in subsection 256(2) and has filed Schedule 28, Election not to be Associated Through a Third Corporation
- 3 – Non-CCPC that is a **third corporation**
- 4 – Associated non-CCPC
- 5 – Associated CCPC to which association code 1 does not apply because a **third corporation** has filed Schedule 28

Column 4: Enter the business limit for the year of each corporation in the associated group. Enter "0" if the corporation has association code 2, 3 or 4 in column 3 (except if the corporation is a cooperative or a credit union eligible for the SBD and it has association code 4).

Column 5: Assign a percentage to allocate the business limit to each corporation that has association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.

Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 by the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A does not exceed \$500,000.

Allocating the business limit

Date filed (do not use this area) **025** Year Month Day

Enter the calendar year the agreement applies to **050** Year
2020

Is this an amended agreement for the above calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? **075** Yes No

	1 Name of associated corporations	2 Business number of associated corporations	3 Association code	4 Business limit for the year before the allocation \$	5 Percentage of the business limit %	6 Business limit allocated* \$
	100	200	300		350	400
1	GroundWorks Safety Systems Inc.	80561 3726 RC0001	1	500,000	24.9997	124,999
2	The Generation Corporation	81513 1735 RC0001	1	500,000	75.0000	375,000
3	Generation Steel Inc.	80785 5770 RC0001	1	500,000	0.0001	1
4	Ellis Fabrications Inc.	87989 7312 RC0001	1	500,000	0.0001	1
5	Generation Construction Corp.	86455 2419 RC0001	1	500,000	0.0001	1
Total					100.0000	500,002 A

Business limit reduction under subsection 125(5.1) of the Act

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the factors used in this calculation is the "large corporation amount" at line 415 of the T2 return. The amount at line 415 is determined using the formula $0.225\% \times (C - \$10,000,000)$. Another factor is the "adjusted aggregate investment income" from lines 744 and 745 of Schedule 7, Aggregate Investment Income and Income Eligible for the Small Business Deduction. Details of these formulas and variable C are in subsection 125(5.1) of the Act.

* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's tax year is less than 51 weeks, prorate the amount in column 6 by the number of days in the tax year divided by 365, and enter the result on line 410 of the T2 return.

Special rules for business limit

Special rules apply under subsection 125(5) if a CCPC has more than one tax year ending in the same calendar year and it is associated in more than one of those tax years with another CCPC that has a tax year ending in that calendar year. The business limit for the second or later tax year will be equal to the lesser of: the business limit determined for the first tax year ending in the calendar year or the business limit determined for the second or later tax year ending in the same calendar year.

Shareholder Information

Corporation's name GroundWorks Safety Systems Inc.	Business number 80561 3726 RC0001	Tax year-end Year Month Day 2020-07-31
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- All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.
- Provide only one number per shareholder (business number, social insurance number or trust number).

	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)	Business number (If a corporation is not registered, enter "NR")	Social insurance number	Trust number	Percentage common shares	Percentage preferred shares
	100	200	300	350	400	500
1	The Generation Corporation	81513 1735 RC0001			100.000	
2						
3						
4						
5						
6						
7						
8						
9						
10						



ALBERTA CORPORATE INCOME TAX RETURN – AT1
The Alberta Corporate Tax Act

For corporations with taxation years ending in 2004 and subsequent. If the corporation has no taxable income to report both federally and for Alberta purposes, please refer to form AT100 to determine if the corporation is exempt from filing. Otherwise, the AT1 and applicable schedules must be received by Tax and Revenue Administration (TRA) within 6 months of the corporation's taxation year end. Mail, fax, courier or hand deliver to: TAX AND REVENUE ADMINISTRATION, 9811 109 ST, EDMONTON AB T5K 2L5. Fax: 780-427-0348.

For Department Use		005 <input type="checkbox"/>
001 <input type="checkbox"/>		01RT
004 <input type="checkbox"/>		

010 Legal Name of Corporation ■ GroundWorks Safety Systems Inc.	Alberta Corporate Account Number (CAN) (Enter the 9 or 10 digit account number) 034 ■ 2019056874
011 Operating Name of Corporation ■	Federal Business Number (BN) 035 ■ 80561 3726 RC0001
012 Mailing Address of Business ■ 4207 53 Street Close	Taxation Year Beginning 036 ■ YYYY MM DD 2019-08-01
013 ■	Taxation Year Ending 037 ■ YYYY MM DD 2020-07-31
014 City/Town ■ Innisfail	Has the taxation year end changed since the last return was filed? 038 ■ 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
015 Prov./ State | 016 Country Code (other than Canada) | 017 Postal or Zip Code | T4G 1P9	If "Yes", specify the reason: 039 1 <input type="checkbox"/> Canada Revenue Agency (CRA) approved tax year end change 2 <input type="checkbox"/> Change in control 3 <input type="checkbox"/> Final return
If the assessment notice and assessment correspondence are to be sent to an address other than that above, provide that address: 018 Name ■ 019 Address ■ 020 ■ 021 City/Town ■	State the functional currency used, if other than Canadian: 041 1 <input type="checkbox"/> United States of America 2 <input type="checkbox"/> United Kingdom 3 <input type="checkbox"/> European Monetary Union 4 <input type="checkbox"/> Australia
022 Prov./ State | 023 Country Code (other than Canada) | 024 Postal or Zip Code	If field 041 is checked, provide average exchange rate for calculation: (functional currency converting to Canadian currency) 043 ■
025 Name of the person to contact to discuss this return ■ James Foley	Gross Revenue (To nearest thousand) 047 ■ 1,905,198
Telephone number: 026 Area Code ■ (403) 227-1001	Total Assets (Book value per balance sheet, to nearest thousand) 048 ■ 1,508,464
Fax number: 027 Area Code ■	Is this a final return? 050 ■ 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Nature of Business 028 SIC Code Other Metal Fabricating Industries n.e.c. ■ 3099	If "Yes", specify the reason: 051 1 <input type="checkbox"/> Amalgamation, specify date of amalgamation: YYYY MM DD 052 ■
Type of Corporation 029 1 <input checked="" type="checkbox"/> Canadian-controlled private corporation throughout the year (excluding Alberta professional) 2 <input type="checkbox"/> Alberta Professional 3 <input type="checkbox"/> Other private 4 <input type="checkbox"/> Public 5 <input type="checkbox"/> Other, specify: _____	2 <input type="checkbox"/> Discontinuance of permanent establishment in Alberta 3 <input type="checkbox"/> Bankruptcy 4 <input type="checkbox"/> Wind-up into parent 5 <input type="checkbox"/> Dissolution of corporation, specify date operations ceased: 053 ■ YYYY MM DD
Special Corporation Status (if applicable) 030 1 <input type="checkbox"/> Investment Corporation 3 <input type="checkbox"/> Co-operative 2 <input type="checkbox"/> Mutual Fund Corporation 4 <input type="checkbox"/> Credit Union 5 <input type="checkbox"/> Corporations exempt under the federal ITA section 149	Was there a transfer of property under federal ITA subsection 85(1), 85(2) or 97(2) that occurred after May 30, 2001, and during the taxation year being reported? 054 ■ 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>
Has there been a wind-up of a subsidiary under federal Income Tax Act (ITA) section 88 during the current taxation year? ■ 031 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	
Is this the first year of filing after an amalgamation? ■ 032 1 Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>	

Report all monetary amounts in dollars; DO NOT include cents.

CAN: 2019056874

Taxation Year Ending: 2020-07-31

Taxable Income: The calculation of taxable income for federal purposes can differ from the calculation for Alberta purposes if the corporation chooses to use different discretionary deduction amounts (e.g., different application of losses, CCA, charitable donation, etc.).

Is the corporation reporting different taxable income for Alberta and federal purposes?

Has the corporation elected to use any different discretionary amounts for the current year claim or do opening balances differ for federal and Alberta purposes?

060	Yes	No
		X
061	Yes	No
		X

If line 060 and/or 061 is "Yes", then schedule 12 and supporting schedules MUST be completed to reconcile federal and Alberta taxable income.

Alberta taxable income or (loss)

If both lines 060 and 061 are "No", then line 062 must equal federal T2, lines 360 - 370

OR, if reporting a loss, enter the amount from federal Schedule 4 lines 110 + 310

If either line 060 or 061 is "Yes", enter the amount from Schedule 12, lines 090 - 092

(If line 062 is negative, complete Schedule 10 to request a loss carry-back, if applicable)

Deduct: Royalty Tax Deduction (Schedule 5, line 021)

Alberta Allocation Factor (Schedule 2, column I)

Amount Taxable in Alberta (line 062 - line 064) X line 065 * (if negative, enter "0")

(* if the corporation has permanent establishments only in Alberta, multiply by "1")

062	
064	
065	1.000000
066	
068	

Basic Alberta Tax Payable:

10.249 % of amount on Line 066

Alberta Small Business Deduction

Schedule 1, line 031

Alberta Manufacturing and Processing Profits

Deduction Schedule 11, line 023

Alberta Foreign Investment Income Tax Credit

Schedule 4, line 020

Alberta Political Contributions Tax Credit

Schedule 8, line 030

Alberta Other Tax Deductions and Credits

Schedule 3, line 604

Other Deductions: (specify and attach

the appropriate schedules)

Total (lines 76a + 76b)

Total (lines 070 + 071 + 072 + 074 + 076)

070	
071	
072	
074	
76a	
76b	
076	

079	
080	

Alberta Tax Payable (lines 068 - line 079)

Alberta Scientific Research & Experimental Development Tax

Credit, Schedule 9, line 120

Instalments, other payments and ARTC instalments credited to

income tax account for this taxation year

Interactive Digital Media Tax Credit (IDMTC)

Tax Certificate Number

(issued at time of IDMTC approval)

Alberta Capital Gains Refund (available only to mutual fund

corporations and public investment corporations)

Other Credits: (specify and attach the appropriate schedule(s))

Total (lines 081 + 082 + 085 + 086 + 087)

081	
082	
085	
110	
086	
087	

088	
090	

Balance Unpaid (Overpayment) (line 080 - line 088)

(An assessed balance, including interest and penalty charges, of less than \$20.00 will be neither charged nor refunded.)

If line 090 is a balance due (i.e. positive amount), indicate the amount enclosed with the return

Make cheque payable to Government of Alberta

If line 090 is an overpayment (i.e. negative amount), indicate the desired disposition:

Refund = 1; Apply to payments for the next taxation year = 2

If you would like your Notice of Assessment provided to you by fax

rather than by mail, please specify your complete fax number

091	
092	
093	Area Code

CERTIFICATION

I, **097** Foley, **098** James, **099** Director, am an authorized signing officer of the corporation. I certify that this return, including accompanying schedules and statements, has been examined by me and is a true, correct and complete return. I further certify that the method of computing income for this taxation year is consistent with that of the previous taxation year except as specifically disclosed in a statement to this return.

Signature of the authorized signing officer

2020-11-12
Date (YYYY MM DD)

GROUNDWORKS SAFETY SYSTEMS INC.



Notice to Reader and Financial Statements
July 31, 2020



RSM Alberta LLP
546 Laura Ave
Red Deer County, AB T4E 0A5
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NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of GroundWorks Safety Systems Inc. as at July 31, 2020 and the statement of income (loss) and retained earnings for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

Red Deer County, Alberta

October 28, 2020

RSM ALBERTA LLP

Chartered Professional Accountants

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

GROUNDWORKS SAFETY SYSTEMS INC.

Balance Sheet

As at July 31, 2020

(Unaudited - see Notice to Reader)

	2020	2019
ASSETS		
Current assets		
Cash	\$ 40,087	\$ 32,885
Accounts receivable	203,449	17,885
Goods and Services Tax receivable	<u>30,265</u>	<u>-</u>
	273,801	50,770
Property, plant and equipment (note 1)	1,099,234	1,221,646
Due from The Generation Corporation	<u>135,429</u>	<u>97,149</u>
	<u>\$ 1,508,464</u>	<u>\$ 1,369,565</u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ 181,110	\$ 127,362
Goods and Services Tax payable	-	20
Current portion of long-term debt	<u>284,377</u>	<u>271,418</u>
	465,487	398,800
Long-term debt	468,768	587,414
Due to Ellis Fabrications Inc.	<u>441,710</u>	<u>196,024</u>
	<u>1,375,965</u>	<u>1,182,238</u>
SHAREHOLDER'S EQUITY		
Share capital	10	10
Retained earnings	<u>132,489</u>	<u>187,317</u>
	<u>132,499</u>	<u>187,327</u>
	<u>\$ 1,508,464</u>	<u>\$ 1,369,565</u>

GROUNDWORKS SAFETY SYSTEMS INC.**Statement of Income (Loss) and Retained Earnings****Year ended July 31, 2020**

(Unaudited - see Notice to Reader)

	2020	2019
Sales	\$ 1,879,651	\$ 3,648,399
Cost of sales	<u>1,720,311</u>	<u>3,296,574</u>
Gross margin	<u>159,340</u>	<u>351,825</u>
Expenses		
Amortization	122,412	135,738
Professional fees	59,893	3,879
Interest on long-term debt	42,304	53,410
Sub-contract	14,452	3,300
Interest and bank charges	630	8,641
Office	24	437
Advertising	-	100
	<u>239,715</u>	<u>205,505</u>
Income (loss) from operations	<u>(80,375)</u>	<u>146,320</u>
Other income (expenses)		
Realized gain (loss) on foreign exchange	36,823	(36,590)
Unrealized loss on foreign exchange	(11,276)	-
Loss on disposal of equipment	-	(85,134)
	<u>25,547</u>	<u>(121,724)</u>
Net income (loss)	(54,828)	24,596
Retained earnings, beginning of year	<u>187,317</u>	<u>162,721</u>
Retained earnings, end of year	<u>\$ 132,489</u>	<u>\$ 187,317</u>

GROUNDWORKS SAFETY SYSTEMS INC.

Note to the Financial Statements

July 31, 2020

(Unaudited - see Notice to Reader)

1. Property, Plant and Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2020 Net</u>	<u>2019 Net</u>
Equipment	<u>\$ 1,590,863</u>	<u>\$ 491,629</u>	<u>\$ 1,099,234</u>	<u>\$ 1,221,646</u>