

COURT FILE NUMBER	1503 16803
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF/APPLICANT	WADE WOOD
DEFENDANTS/ RESPONDENTS	GERRY BEVAN, SPHERICAL CAPITAL INC., and SPHERICAL BOND LTD.
DOCUMENT	AFFIDAVIT
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Sharek Logan & van Leenen LLP Barristers & Solicitors 2100 Rice Howard Place, 10060 Jasper Avenue NW Edmonton, Alberta, T5J 3R8 Attn: Amber Poburan Phone: 780.413.3100 File: MAT22334/AMP

AFFIDAVIT OF JESSA SHAPKA
Sworn on June 21, 2023

I, JESSA SHAPKA, of Edmonton, Alberta, Legal Assistant, MAKE OATH AND SAY THAT:

1. I am a legal assistant with the law firm of Sharek Logan & van Leenen LLP and as such have knowledge of the matters herein sworn to, except where stated to be based on information and belief and where so stated do verily believe same to be true.
2. I am advised by Amber Poburan with Sharek Logan & van Leenen LLP, counsel for the Respondents, Gerry Bevan, Spherical Capital Inc., and Spherical Bond Ltd., (the "Respondents"), and do verily believe that:
 - a. The Respondent, Gerry Bevan, commissioned a Calculation Valuation Report from MNP LLP, as at April 30, 2023, in respect of the value of Lionhart Capital Ltd. ("Lionhart");
 - b. As at today's date, the valuation report is in draft, pending review of the most recent year-end financials of Lionhart (the "Draft Valuation Report"). A copy of the Draft Valuation Report is attached hereto in draft as **Exhibit "A"**;
 - c. MNP LLP relied on the financial records of Lionhart in preparing the Draft Valuation Report. Copies of those records are attached hereto as **Exhibit "B"**;
 - d. As at June 19, 2023, Lionhart's accountant was provided with information to complete financial statements for the fiscal year ended February 28, 2023, as well as for interim profit and loss schedules and balance sheets from November 30, 2022, and the same will be completed shortly;

- e. The intention of Mr. Bevan and MNP LLP is to modify the Valuation Report upon receipt and review of the completed financial records referred to at paragraph 2, as necessary;
 - f. By way of emails to counsel for Wade Wood, the Applicant (the "**Applicant**"), the Respondents advised of their intention to perform a valuation of Lionhart, and to use the firm of MNP LLP who are put forward as the proposed receiver in this application. The Applicant was not agreeable to either an adjournment of this application pending receipt of the completed valuation, or cooperating with the Respondents in the terms or scope of the valuation. Copies of those emails are attached hereto as **Exhibit "C"**;
 - g. Attached hereto as **Exhibit "D"** is a copy of the Independent Leasing Agent Agreement used by Lionhart and its consultants.
3. I make this Affidavit exhibiting documentation relevant to the value of Lionhart Capital Ltd., and for no improper purpose.

SWORN BEFORE ME at the City of)
 Edmonton, in the Province of Alberta,)
 this 21st day of June, 2023.)
 _____)
 A Commissioner for Oaths in and for)
 the Province of Alberta)



 JESSA SHAPKA

BRENDA LEWICKI
 A Commissioner for Oaths
 in and for Alberta
 Expires: Feb. 12, 20 26

This is Exhibit "A" to the Affidavit of
Jessa Shapka, sworn this 21st day of June, 2023



A handwritten signature in blue ink, appearing to be 'B. Lewicki', written over a horizontal line.

A Commissioner for Oaths in and for
the Province of Alberta

BRENDA LEWICKI
A Commissioner for Oaths
in and for Alberta
Expires: Feb. 12, 20 26

Lionhart Capital Ltd.

DRAFT – FOR DISCUSSION PURPOSES ONLY

Calculation Valuation Report - DRAFT

As at April 30, 2023

Dany Le, CPA, CMA, CBV
Partner, Valuation and Litigation Support Services
Phone: 780.401.7087
Dany.Le@mnp.ca

June 12, 2023

PRIVATE & CONFIDENTIAL

Gerry Bevan
403.850.0076
gerry@lionhartcapital.com
www.lionhartcapital.com

ATTENTION: Gerry Bevan

Dear Gerry:

RE: Lionhart Capital Ltd. – Calculation Valuation Report¹

You have retained us as professional business valuers acting independently and objectively to determine the fair market value² of a 100% interest in Lionhart Capital Ltd. as at April 30, 2023.

The accompanying report, including schedules and appendices, is a Calculation Valuation Report, prepared in compliance with the Practice Standards of the CICBV.

We understand that our report is required to assist in the settlement of a creditor claim.

Our report is prepared on the basis of economic, industry, financial, fiscal, market, political and other conditions as they existed and can be evaluated as at April 30, 2023, as well as documents reviewed by us and supplied by management.

Based on the scope of our review, subject to the restrictions, limitations and assumptions as outlined in our report and our research, analysis, and experience, we conclude that the Business Enterprise Value is between \$257,000 and \$297,300 (mid-point of \$277,100). We then considered an adjustment for the current working capital deficit to arrive at the Adjusted Business Enterprise Value of \$76,300 to \$116,500 (mid-point of \$96,400). Once interest-bearing debt, net non-operating liabilities and amounts due to shareholders / related parties have been considered, the Fair Market Value of the Common Equity of Lionhart Capital Ltd. is a deficit between \$346,100 and \$305,800 or \$nil as at the Valuation Date.

This report is in draft format, incomplete and is subject to change. It has been released to you for purposes of obtaining comment, instruction, confirmation, or other information required to complete our report.

This draft report should not be released to any other party.

Yours sincerely,

DRAFT

Per: Dany Le, CPA, CMA, CBV
Partner, Valuation and Litigation Support Services

¹A Calculation Valuation Report contains a conclusion as to the value of shares, assets or an interest in a business that is based on minimal review, analysis and little or no corroboration of relevant information and is generally set out in a brief Valuation Report per CICBV Standard 110, paragraph 6.

² See Section 8 of our Report.

Table of Contents

1	Introduction.....	1
2	Purpose.....	1
3	Currency of Report.....	1
4	Summary of Value.....	1
5	Independence and Objectivity.....	1
6	Restrictions.....	2
7	Qualifications.....	2
8	Definition of Value.....	3
9	Price vs. Fair Market Value.....	3
10	Company Overview.....	4
11	Primary Valuation Approach Selected.....	6
12	Adjusted Net Asset Approach.....	7
13	Income Approach.....	9
14	Valuation Conclusion.....	12
15	Market Approach.....	15
16	Valuation Summary.....	17
17	Draft Report.....	18

Appendices

Appendix A: Schedules

- Schedule 1: Fair Market Value Summary
- Schedule 2: Net Operating Assets Approach – Value Summary
- Schedule 3: Historical Balance Sheet – Summary
- Schedule 4: Historical Balance Sheet – Internal
- Schedule 5: Capitalized Cash Flow Approach – Value Summary
- Schedule 6: Estimated Maintainable Cash Flow
- Schedule 7: Normalized Cash Flow from Operations
- Schedule 8: Historical Income Statement – Summary
- Schedule 9: Historical Income Statement – Internal
- Schedule 10: Weighted Average Cost of Capital
- Schedule 11: Market-Based Valuation Approach – Value Summary

Appendix B: Scope of Review

Appendix C: Assumptions

Appendix D: Discount Rate and Capitalization Multiples

Appendix E: Valuation Methodologies

Appendix F: Glossary of Technical Valuation and Financial Terms

1 Introduction

- 1.1 At your request, we have reviewed certain information supplied to us with a view to provide you with a Calculation level Valuation Report (the "Report") of the Fair Market Value ("FMV") of Lionhart Capital Ltd. (the "Company" or "LCL") as at April 30, 2023 (the "Valuation Date").
- 1.2 Our valuation conclusion is based on economic and business conditions as they existed as at the Valuation Date and does consider, among other things, the effects of the COVID-19 virus to the extent possible.

2 Purpose

- 2.1 We understand our Calculation Valuation Report is required by the Company to assist in the settlement of a creditor claim.
- 2.2 Our Report is, therefore, intended to be used exclusively by the Company's management ("Management"), members of the board, legal counsel, financial advisors and shareholders involved in the settlement.

3 Currency of Report

- 3.1 Unless otherwise noted, all currencies in this Report are denominated in Canadian dollars.

4 Summary of Value

- 4.1 Based on the scope of our review, subject to the restrictions, limitations and assumptions as outlined in our report and our research, analysis, and experience, we conclude that the Business Enterprise Value is between \$257,000 and \$297,300 (mid-point of \$277,100). We then considered an adjustment for the current working capital deficit to arrive at the Adjusted Business Enterprise Value of \$76,300 to \$116,500 (mid-point of \$96,400). Once interest-bearing debt, net non-operating liabilities and amounts due to shareholders / related parties have been considered, the Fair Market Value of the Common Equity of Lionhart Capital Ltd. is a deficit of between \$346,100 and \$305,800 or \$nil as at the Valuation Date (Schedule 1).
- 4.2 Where a specific amount is required, we note the midpoint of the above noted range.
- 4.3 We note that the Enterprise Value ("EV") represents the FMV of the Company's business operations without incorporating debt or non-operating assets.

5 Independence and Objectivity

- 5.1 MNP LLP ("MNP") is not an insider, associate, or affiliate of the Company or any of its affiliates, associates, or shareholders (collectively, the "Interested Parties"). MNP does not currently have any agreements, commitments, or undertakings in respect of any future business involving any of the Interested Parties. However, MNP may, from time to time in the future, provide professional services to one or more of the Interested Parties.
- 5.2 This Report was prepared in conformity with the Practice Standards of the Canadian Institute of Chartered Business Valuators ("CICBV"), and in doing so, the author acted independently and objectively.
- 5.3 The author's compensation was not contingent upon an action or event resulting from the use of this Report.

- 5.4 MNP's professional fees for services rendered in preparing this Report were not contingent, in whole or in part, on the conclusions reached herein and were based strictly on the professional time expended on the engagement at our standard hourly rates. The authors acted independently and objectively in the preparation of this Report.
- 5.5 MNP is one of the largest public accountancy firms in Canada (www.mnp.ca). Its Business Valuation Practice (the "Practice") is involved in the valuation of businesses, business equities, securities and intangible assets, in connection with business combinations, distributions of listed and unlisted securities, private placements, exchanges of shares, corporate reorganizations, going-private transactions, leveraged buy-outs, fair value measurement and purchase price allocation for financial reporting purposes and valuations for various other purposes such as income taxation, estate planning, family law, transfer pricing, financing and financial structuring.

6 Restrictions

- 6.1 This Report is not intended for general circulation or publication, nor is it to be reproduced for any other purpose other than as outlined herein. We do not assume any responsibility or liability for losses occasioned to the Company, the Directors and/or shareholders thereof, or any other parties as a result of the circulation, reproduction, or use of our Report, or its contents, contrary to the provisions of this paragraph.
- 6.2 We reserve the right (but will be under no obligation) to review all calculations contained in our Report and, if we consider it necessary, to revise our valuation conclusion in light of any information existing at the Valuation Date which becomes known to us after the date of our Report.

7 Qualifications

- 7.1 We have not been engaged to prepare either an Estimate or a Comprehensive Valuation Report. Therefore, it must be clearly understood that the valuation conclusion noted herein does not represent our considered Estimate or Comprehensive Opinion with respect to the fair market value of the Company as at the Valuation Date.
- 7.2 Our Calculation of the fair market value of the Company is based on our minimal analysis of information provided to us by management of the Company ("Management") (See Appendix B - Scope of Review) and the application of generally accepted valuation principles and methodologies. In order to render an Estimate or a Comprehensive Opinion of value, additional procedures would need to be performed. If we had been engaged to provide an Estimate Valuation Report or Comprehensive Valuation Report, it is possible that we could have arrived at a different valuation range than the range calculated herein.
- 7.3 Our Report was prepared on the basis of economic and business conditions prevailing as at the Valuation Date and on the conditions and prospects, financial and otherwise, of the Company as reflected in the information and documents we reviewed and as presented to us in discussions and correspondence with management of the Company.
- 7.4 Since the assessment is made at a specific point in time, readers of this Report should be cautioned that it is not likely relevant at a different point in time and that further calculations may be required for our conclusion to be useful at a different date.

- 7.5 This Report must be considered in its entirety by the reader, as selecting and relying on only specific portions of the analyses or factors considered by us, without considering all factors and analyses together, could result in the misinterpretation of the comments and the conclusions there from. It is not appropriate to extract partial analyses or make summary descriptions. Any attempt to do so could lead to undue emphasis on a particular factor or analysis.

8 Definition of Value

- 8.1 There are several possible measurements of value. For the purpose of our analysis, we are using FMV, which is defined as:

The highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

9 Price vs. Fair Market Value

- 9.1 Our Report is based on a notional or hypothetical market; the Company has not been subjected to the open market. The ultimate price at which the Company may be sold may differ from our conclusion because of various factors such as the existence of special purchasers (i.e. competitors), differing negotiating strengths, and the nature and timing of the payment of the purchase price.
- 9.2 Since these factors cannot truly be assessed without actual negotiations taking place to determine the impact of these market forces, these factors have not been considered in our calculations.

Special Purchasers

- 9.3 The notional value does not consider possible synergistic benefits or economies of scale that might accrue to a special purchaser.
- 9.4 In order to calculate the benefits that may accrue to special purchasers, the specific synergies realized by each special purchaser must be evaluated.

Lack of Marketability Discount

- 9.5 A lack of marketability discount reflects the illiquidity of an interest in a closely held corporation.
- 9.6 The Company suffers from a lack of marketability because a sale to a private purchaser would involve negotiations and take time.
- 9.7 Given the intended use of the Report, we have not considered this discount appropriate.

Minority Shareholding Discount

- 9.8 A minority discount is applied when a minority shareholder is not able to influence company strategy, operations or the amount and timing of the return on the investment in the Company.
- 9.9 When these criteria are present and unaccounted for in a shareholder agreement, a discount on share value will be applied. Should the value of a 100% interest be extracted to a minority shareholding, this discount may be considered.

10 Company Overview

- 10.1 Lionhart Capital Ltd. was incorporated in 1990 and is an equipment leasing brokerage firm. The Company seeks to match potential lessees of heavy equipment with financiers and to provide the lessees with the lowest lease rates possible. The Company has experience brokering equipment financing in the commercial transportation, construction, mining, hospitality, forestry and oil and gas industries.
- 10.2 It aims to help customers find financing for a variety of transactions including traditional leasing, lease-to-own, auction, private sales, rental conversions, and sale leasebacks, among others. The Company services customers of varying credit levels and transactions ranging between \$10.0 thousand and \$30.0 million.
- 10.3 Lionhart Capital Ltd. is a privately held company that previously operated out of an office space at 1022-240 70 Shawville Boulevard SE, Calgary, Alberta. As per discussions with Management, the Company closed its office during the Covid-19 pandemic and now operates remotely.

Industry Overview

- 10.4 An equipment leasing brokerage firm generates revenue through various sources related to facilitating equipment leasing transactions. Common ways these firms generate income include:
- **Brokerage Fees:** The primary source of revenue for an equipment leasing brokerage firm is the brokerage fee. The brokers earn a commission or fee for connecting equipment lessors (owners) with lessees (businesses or individuals) looking to lease equipment. This fee is typically a percentage of the total value of the lease or a fixed amount agreed upon in advance;
 - **Upfront Fees:** In some cases, the brokerage firm may charge upfront fees to cover administrative costs associated with processing lease applications, conducting credit checks, and evaluating the viability of lease agreements. These fees are usually non-refundable and are charged regardless of whether the lease is ultimately approved or not; and,
 - **Renewal Fees:** If a lease is renewed or extended beyond the initial term, the brokerage firm may earn additional revenue through renewal fees. These fees compensate the broker for the ongoing administrative work involved in extending the lease agreement and ensuring the satisfaction of both parties.
- 10.5 Demand in the industry is highly reliant on macroeconomic conditions and high interest rates pose a threat to the industry. Between January 2022 and April 2023, the Bank of Canada has raised interest rates 4.25%, from 0.25% to 4.50%³. Higher interest rates make it more expensive to lease equipment through higher leasing rates which leads to decreased activity in the industry. Additionally, higher interest rates make it less attractive for potential customers to lease equipment and may cause these customers to pay cash for equipment or to choose different financing options rather than to lease⁴.
- 10.6 The current high and increasing interest rate environment has the potential to lead to a recession. A recessionary environment generally curtails consumer and business spending and uncertainty in a recessionary environment typically makes consumers and businesses more hesitant to take on new debt⁵.

³ Bank of Canada, Policy Interest Rate. <https://www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/>

⁴ IBISWorld Auto Leasing, Loans and Sales Financing in the US, February 2023, Cesar Maldonado.

⁵ IBISWorld Auto Leasing, Loans and Sales Financing in the US, February 2023, Cesar Maldonado.

- 10.7 If the Bank of Canada does not raise rates enough to lessen demand in the economy, a recession could be avoided but, higher than desired inflation could persist. This inflation would increase the prices of equipment making new equipment unaffordable to some businesses. This decrease in affordability of equipment could lead to a decrease in equipment leases and a decrease in industry revenues⁶.
- 10.8 Competition in the industry has also been increasing, primarily due to new, non-traditional businesses entering the industry including fintech companies, online lenders and lessees entering the market themselves. In addition to the increased competition, these non-traditional businesses have made it much easier for customers to compare financing options and find the best deal which takes business from more traditional leasing brokers. These factors are expected to weigh on margins in the industry⁷.

Historical Financial Performance

- 10.9 The Company has a fiscal year end date of February 28.
- 10.10 Historical balance sheets of the Company for the years ended February 28, 2018 through 2021 and the interim period ended November 30, 2022 are summarized on Schedule 3. Historical income statements of the Company for the years ended February 28, 2018 through 2022 are summarized on Schedule 8.
- 10.11 The internal financial statements of the Company, for the periods mentioned above, are detailed on Schedules 4 and 9. These schedules show how the financial statements were provided and how they were subsequently summarized and presented on Schedule 3 and 8.
- 10.12 Exhibit 1 – Summary of historical revenue for the fiscal years ended 2018 through 2022 (Schedule 8).



- 10.13 The financial performance of Lionhart Capital Ltd. has declined notably from \$689.0 thousand in 2018 to a historical low of \$194.0 thousand in the fiscal year that ended on February 28, 2022 (Schedule 8).
- 10.14 The primary factor contributing to this decline can be attributed to the dwindling number of brokers working for Lionhart Capital Ltd. The Company faced intensifying competition within the industry, which presented brokers with many opportunities offering more competitive commissions. As a result, brokers sought these alternatives, leading to a reduction in LCL's workforce and subsequently impacting its revenue stream

⁶ IBISWorld Auto Leasing, Loans and Sales Financing in the US, February 2023, Cesar Maldonado.

⁷ IBISWorld Auto Leasing, Loans and Sales Financing in the US, February 2023, Cesar Maldonado.

- 10.15 The cost of sales, as a percentage of revenue, has ranged between a low of 8.3% in 2018 and high of 48.8% in 2022. The largest cost of sales items are subcontractors and commissions expenses. Subcontractor expenses have ranged between 1.0% and 26.8% and commissions have ranged between 0.0% and 18.0% (Schedule 8). The historical high, as a percent of revenue, for both expenses was reported in 2022
- 10.16 The reported operating expenses were \$582.0 thousand in 2018 before decreasing to \$158.0 thousand in 2020. These expenses then remained relatively flat as revenue continued to decrease in the subsequent years. The operating expenses were \$174.0 thousand and \$177.0 thousand in 2021 and 2022, respectively. The largest operating expense was salaries, wages and benefits which ranged between \$119.0 thousand and \$422.0 thousand over the historical period (Schedule 8).

Reported EBITDA

- 10.17 We adjusted the historical reported earnings from operations of the Company to determine reported Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") (Schedule 7, Note 3):
- Interest and bank charges – the interest portion of interest and bank charges has been added back to operating cash flows to convert them to unlevered cash flows for the purposes of calculating the Company's enterprise value.
- 10.18 The reported EBITDA has ranged between a low of negative \$77.1 thousand in 2022 and high of \$143.0 thousand in 2020 or a reported EBITDA average of \$41.9 thousand over the historical period (Schedule 7, Note 3).

Financial Position

- 10.19 As at the Valuation Date, the Company had an adjusted net asset value in a deficit of \$537.6 thousand. The Company's assets are primarily comprised of cash and cash equivalents of \$80.2 thousand. The Company's liabilities are primarily comprised of amounts due to related parties and deposits payable to funder of \$206.1 thousand and \$164.1 thousand, respectively (Schedule 2).
- 10.20 The Company has reported net earnings between \$31.1 thousand and \$141.0 thousand between 2018 and 2021 but a net loss of \$41.4 thousand in 2022 (Schedule 8). The Company has operated with a shareholder equity deficit over the last 5 years (Schedule 3).
- 10.21 The share capital of the Company consists of only common shares which are owned by Gerry Bevan.

11 Primary Valuation Approach Selected

- 11.1 In deciding on the approach to be adopted in valuing the Company, we considered the following with respect to its business:
- The Company is operating as a going concern and current management has no plans to wind down operations in the coming years;
 - The Company has shown a history of producing positive EBITDA before EBITDA turned negative in the recent fiscal year;
 - Positive cash flows after considering taxes;
 - The cashflows after considering taxes are sufficient to cover the Company's current principal and interest expenses on outstanding debt; and,
 - The asset-based approach results in a lower value than a going concern capitalized cash flow approach.

- 11.2 Based on these factors and our experience with the valuation of similar businesses, we have considered a going concern capitalized cash flow method (Section 13) using the unlevered approach in valuing the Company to be appropriate.
- 11.3 We have considered the Adjusted Net Asset approach (Section 12) and the enterprise value multiples implied by our valuation in order to evaluate the reasonableness of the range of values for the Company arrived at by the capitalized cash flow approach.
- 11.4 We also undertook a review of comparable precedent transactions and industry rules-of-thumb metrics to further assess the reasonableness of the range of value.
- 11.5 Refer to Appendix E for a detailed description of valuation methodologies.

12 Adjusted Net Asset Approach

- 12.1 In determining the adjusted net asset value of the Company, we adjusted the tangible assets and liabilities appearing on the balance sheet as at the Valuation Date to their Fair Market Values. Adjusted net asset value is defined as the going-concern value, or value-in-use, of all tangible and specifically identifiable intangible assets ("Tangible Asset Backing"), excluding goodwill. It assumes the continuation of the business as a going concern. Disposition costs (including income taxes) are not included in arriving at the Going-Concern Value of the Company.
- 12.2 We applied the Adjusted Net Asset Approach as a secondary valuation approach. All assets and liabilities on the Company's balance sheet were adjusted to their Fair Market Values. Corporate income taxes relating to such adjustments were notionally deducted (or added) to arrive at adjusted shareholders' equity on a net basis for valuation purposes. Because the Company is considered to be a going concern, the premise for determining the value of the net assets was their value-in-use (Market Value in Continued Use).
- 12.3 Intangible assets were not recorded on the balance sheet; therefore, to the extent that commercial goodwill or other identifiable intangible assets are present in the Company, the Adjusted Net Asset Approach will not render a true Fair Market Value conclusion. The approach is, however, useful, as a risk measurement indication has a lower risk and therefore a lower expected return as compared with intangible asset value.

Fair Market Value Adjustments

- 12.4 Management has informed us that the net book values of all the assets and liabilities of the Company approximate their Fair Market Value except for (Schedule 2):
- Accounts receivable – as per discussions with Management, this amount is due from Spherical Capital, a related company. Management notes that Spherical Capital has no available funds to pay this amount and is in debt to the Canadian government. As such, this amount was determined to be uncollectible and was adjusted to a fair market value of \$nil;
 - Commissions and payroll advances – as per discussions with Management, the services related to the advanced commissions and wages will not be fulfilled and therefore, these amounts are considered to be uncollectible. As such, this balance has been adjusted to a fair market value of \$nil;
 - Due from related parties – consists of amounts due from Lionhart Insurance and Home Seek. As per discussions with Management, both entities have been dissolved and are no longer registered companies. As such, these amounts have been adjusted to a fair market value of \$nil;

- Property, plant and equipment – as per discussions with Management, these assets were disposed of when the Company's office space was closed due to Covid-19. As such, these assets have been adjusted to a fair market value of \$nil;
- Due to related parties – as noted previously, we adjusted the accounts receivable balance of \$234.9 thousand to a fair market value of \$nil as Management stated that this amount was due from Spherical Capital and was uncollectible. As such, we have assumed that \$234.9 thousand of the amounts due to Spherical Capital would not be repaid to compensate for the accounts receivable not repaid. Additionally, Management noted that Geraco has been dissolved and as such, this amount has been adjusted to a fair market value of \$nil (Schedule 2, Note 1E); and,
- CEBA loan – one third (\$20.0 thousand) of this amount will be forgiven if the balance is repaid in full by December 31, 2023. We have assumed Management will take advantage of this forgiveness and have adjusted the balance of the loan as such.

Non-Operating Assets and Liabilities

- 12.5 Non-operating assets and liabilities are those items not required in the day-to-day operations of a business. In theory, these assets and/or liabilities could be disposed of without adversely affecting the on-going operations of the business.
- 12.6 In our value calculation, we have assumed that each of these assets would be liquidated with the net proceeds then being distributed to the shareholders. The value of the assets is net of disposition costs and taxes. We have identified the following non-operating assets and liabilities in the Company (Schedule 2):
- Cash and cash equivalents – the Company held \$80.2 thousand of cash on hand as at November 30, 2022. Based on the adjusted working capital position of the Company, a review of historical working capital requirements and industry comparable levels of working capital, it was determined this cash was required in the ongoing operation of the business;
 - Income taxes payable – is considered non-operating and has been removed as such, without having an impact on the operations;
 - GST / PST / HST payable – is considered non-operating and has been removed as such, without having an impact on the operations;
 - Due to shareholder – this liability consists of amounts due to Gerry Bevan as he is the sole shareholder of the Company. Amounts due to shareholder has been reclassified for valuation purposes as equity because shareholders are treating these loans as equity in the form of a long-term investment with interest being waived each year and no specific terms of repayment; and,
 - Due to related parties – this liability consists of amounts due to SCI, Do Bytes and Spherical. Refer to Schedule 2, Note 1E for a detailed description of amounts owed. Amounts due to related parties has been reclassified for valuation purposes as equity because related parties are treating these loans as equity in the form of a long-term investment with interest being waived each year and no specific terms of repayment.

Tangible Asset Backing Conclusion

- 12.7 We have prepared a calculation of the Adjusted Net Asset Value as well as the Tangible Asset Backing as at the Valuation Date. After the preceding adjustments have been made, the Adjusted Net Asset Value is in a deficit of \$537.6 thousand. Subsequently, we adjust for approximately \$336.3 thousand of non-operating items, and \$86.1 thousand of interest-bearing debt to arrive at a Tangible Asset Backing deficit of \$115,000 (Schedule 2).

12.8 We applied the Adjusted Net Asset Approach as a secondary method of assessing the value of the operation. We believe that the Company has a significant intangible asset component that is not recorded on its balance sheet. Absent the values of the identifiable intangible assets, the Adjusted Net Asset Approach will not render a true Fair Market Value conclusion. The approach is, however, useful as a risk measurement indication with Tangible Asset Backing having a lower risk and, therefore, return as compared with intangible asset value.

13 Income Approach

Capitalized Cash Flow Method

13.1 We applied the Capitalized Cash Flow Method to determine the FMV of the business operations of the Company. We believe that the Capitalized Cash Flow Method was preferable to the Discounted Cash Flow Method because a single maintainable cash flow estimate, after consideration of economic conditions, would be the best indicator of the present value of the expected future benefits to be received by a shareholder.

13.2 In determining the FMV of the Company under the application of the going concern – capitalized cash flow approach, we have considered the following steps:

- Estimate the Company's maintainable future after tax cash flows;
- Select an appropriate cash flow multiple;
- Determine Enterprise Value;
- Determine the Going Concern Value;
- Consider the value of non-operating assets;
- Determine the Net Tangible Asset Backing; and,
- Determine intangible asset value.

13.3 The Capitalized Cash Flow Method involves estimating the future annual maintainable cash flow of the business and developing an appropriate capitalization rate (risk related to the expected return) to express the expected future income stream as a present value as of the effective Valuation Date.

13.4 We considered the expected growth in the economy and the industry as well as company-specific risk factors in our selection of the capitalization rate and our estimate of the maintainable cash flow. Any non-operating assets and liabilities of the Company are assumed to be converted into cash and distributed to the shareholders at the Valuation Date. This process is critical to the valuation, as the value of these assets is not reflected in the operating cash flow of the business and, therefore, in the valuation under the Income Approach, but must be included in corporate worth.

Adjusted EBITDA

13.5 In calculating maintainable cash flow for the Company, we first reviewed the historical income statements for the past five years (ended at February 28, 2022) and determined the Company's adjusted EBITDA.

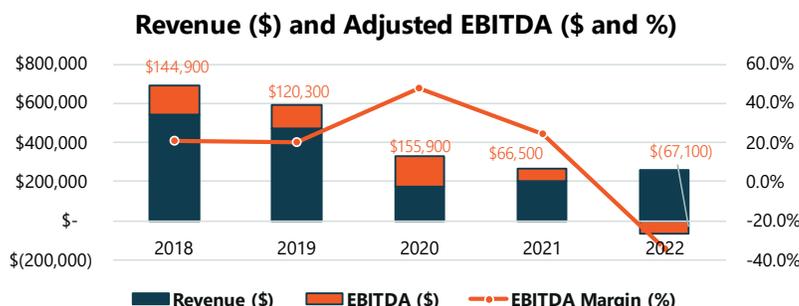
13.6 We considered the future outlook for the Company based upon our discussions with Management and consideration of current macroeconomic and industry conditions. Where appropriate we have "normalized" the effects of certain historical transactions on the Company's cash flow for revenue and expenses that were either not earned or incurred in the normal course of business operations or were not expected to recur into the foreseeable future.

13.7 We made the following adjustments to operating expenses in arriving at the adjusted EBITDA (Schedule 7):

- Professional fees – consulting fees, legal fees, court costs and professional fees have been considered non-recurring and have been added back as such. A breakdown of professional fees is provided on Schedule 8, Note 5;
- Bookkeeping fees – as shown on Schedule 8, Note 5, bookkeeping fees are included in professional fees. These expenses were abnormally high in 2019 and as such, we have normalized the expense in this year based on the average amount incurred in 2018 and 2020;
- Interest and bank charges – the interest portion of interest and bank charges has been added back to operating cash flows to convert them to unlevered cash flows for the purposes of calculating the Company’s enterprise value. A breakdown of interest and bank charges is provided on Schedule 8, Note 4;
- Bad debt – this expense was only incurred in 2019. As such, it has been considered non-recurring and has been added back;
- Repairs and maintenance – according to discussions with Management, the Company no longer carries any amount of fixed assets and as such, only a minimal amount of repairs and maintenance expense would be required. As such, we have normalized the amount of this expense in each year based on the amount incurred in 2020, the year with the least amount of repairs and maintenance expense;
- Gifts – are considered non-operating and not required to generate cash flows. As such, this expense has been added back;
- Insurance – this expense was only incurred in 2018 and 2019 before a negative expense was incurred in 2022. As such, insurance expenses have been considered non-recurring and have been added back;
- Meals and entertainment – this expense has been considered non-operating and has been added back as such;
- Vehicle expenses – this expense has been considered non-operating and has been added back as such;
- Payments to Geraco – this expense has been considered non-operating and has been added back as such;
- Travel – this expense has been considered non-operating and has been added back as such;
- Utilities – this expense was only incurred in 2018. As such, it is considered non-recurring and has been added back as such; and,
- Rent – this expense was only incurred in 2020 and 2021. As per discussions with Management, the Company no longer has an office space. We have assumed employees can work from home and that the Company would not need to incur rent expenses. As such, it is considered non-recurring and has been added back as such.

Adjusted EBITDA Conclusion

13.8 Exhibit 2 - Since 2018, the Company’s revenues and adjusted EBITDA are displayed below (Schedule 7).



13.9 Exhibit 3 – The below excerpt from Schedule 7 summarizes the historical adjusted EBITDA levels and margins for the Company.

Summary of estimated EBITDA:

EBITDA - Last 3 year average	52,000	19.7%
EBITDA - Last 5 year average	84,000	20.3%
EBITDA - Last 3 year weighted average	15,000	6.2%
EBITDA - Last 5 year weighted average	52,000	15.9%
EBITDA - Recent fiscal year	(67,000)	-34.5%

Maintainable EBITDA and Cash Flow

13.10 We then analyzed the normalized cash flow from operations, giving considerations to the Company's historical and prospective financial results, to determine a range of estimated maintainable cash flow from operations.

13.11 Maintainable cash flow implies a level of cash flow that can reasonably be expected in the future. It is not construed as a level that will necessarily be achieved in each year, but rather an expected maintainable level for future years. To the extent that growth in cash flow may be anticipated, it is considered in developing the price/cash flow multiple.

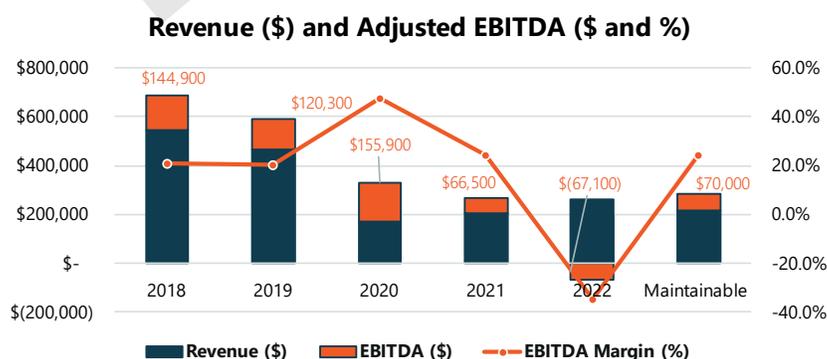
13.12 The estimate maintainable assumptions are based on adjusted historical trends, industry benchmarking and guidance from Management. These maintainable assumptions are carried over to Schedule 6 to determine the selected EBITDA and cash flow (Schedule 7).

- Revenue – the low-end estimate of \$250.0 thousand is based on the average revenue from 2020 through 2022. The high-end estimate of \$325.0 thousand is based on revenue reported in 2020, the high in the prior three years;
- Cost of sales – the estimate of 20.0% of revenue in both the low and high scenarios is based on the average cost of sales over the historical period; and,
- Operating expenses – the low-end estimate of \$140.0 thousand is based on adjusted operating expenses in 2020, the year with the lowest operating expenses in the prior three years. The high-end estimate of \$180.0 thousand is based on modest growth of adjusted operating expenses in 2022. This estimate assumes operating expenses will continue to grow modestly.

13.13 On Schedule 7, we have selected a maintainable EBITDA range for the Company based on the assumptions above.

Selected EBITDA

13.14 Exhibit 4 – The Company's historical, and estimated maintainable, revenues and adjusted EBITDA are displayed below (Schedule 7).



13.15 The selected maintainable EBITDA considers the historical averages of the adjusted EBITDA but, more weight is placed on the estimated maintainable levels and discussions with Management. We have estimated the EBITDA level going forward to range between \$60.0 thousand and \$80.0 thousand (mid-point of \$70.0 thousand) (Schedule 7).

Estimated Income Tax

13.16 We applied a combined Federal and Provincial income tax rate of 11.0% to the indicated EBITDA / Operating Cash Flow up to the small business limit of \$500.0 thousand and a combined rate of 23.0% to the indicated EBITDA / Operating Cash Flow in excess of \$500.0 thousand. In this case, the Company does not produce maintainable income above \$500.0 thousand therefore, the entire balance is taxable at a rate of 11.0% (Schedule 6).

Sustaining Capital Reinvestment (“SCR”)

13.17 The Company carries no capital assets and therefore, we have assumed that the Company requires no sustaining capital reinvestment to maintain existing operations (Schedule 6).

Working Capital Adjustment

13.18 A working capital adjustment is required because, at the Valuation Date, the Company is not carrying a working capital level equivalent to historical or industry averages.

13.19 The Company currently has a balance sheet deficit of \$115.3 thousand. A cash injection of \$115.3 thousand would be required to eliminate this deficit. An additional cash injection of \$65.5 thousand is required to bring the adjusted working capital level of the Company to an industry average of 22.7% of maintainable revenue. These cash injections will decrease the Enterprise Value (Schedule 4).

Maintainable Cash Flow Conclusion

13.20 Deducting the estimated income tax and annual SCR, net of Tax Shield, from the selected maintainable EBITDA resulted in Maintainable Cash Flow.

13.21 Exhibit 5 – The excerpt below, from Schedule 6, summarizes the selected EBITDA and Maintainable Cash Flow.

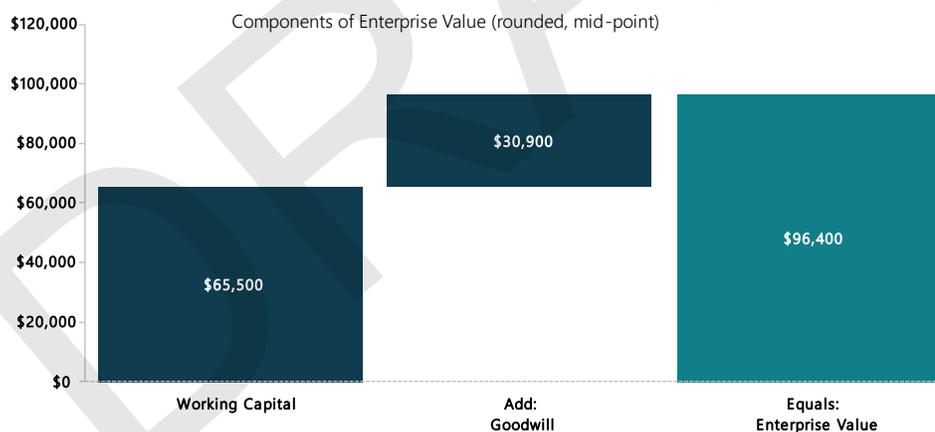
	Reference	Low	High
Summary of estimated EBITDA:			
Income taxes (balance at 11.0%)	Schedule 7	60,000	80,000
Income taxes (balance at 23.0%)	Note 1	(6,600)	(8,800)
	Note 1	-	-
Maintainable cash flow, after tax		53,400	71,200
Adjustments:			
Sustaining capital reinvestment	Note 2	-	-
Estimated maintainable cash flow (rounded)		53,400	71,200

14 Valuation Conclusion

Enterprise Value Conclusion

14.1 We started with the range of estimated maintainable after-tax discretionary cash flow from Schedule 6. We then multiplied the range of cash flows by the appropriate cash flow multiples to arrive at capitalized cash flow value.

- 14.2 The cash flow multiples are the inverse of the capitalization rate, which we determined with reference to the notional weighted average cost of capital (“WACC”) less growth rate (Schedule 10 and Report Appendix D).
- 14.3 Our Capitalized Cash Flow Value is calculated by multiplying the Maintainable Cash Flow in the range of \$53.4 thousand to \$71.2 thousand by the price/cash flow multiple of 4.0x to 4.5x, resulting in a value range of \$242.4 thousand to \$282.7 thousand (Schedule 5).
- 14.4 LCL had approximately \$264.0 thousand of non-capital loss carry forwards outstanding as at February 28, 2022 which we assumed had not materially changed as at the Valuation Date. We calculated the present value of these non-capital loss carry forwards as \$14.6 thousand (Schedule 5, Note 4). The present value of these non-capital loss carry forwards was added to the Capitalized Cash Flow Value to arrive at the Going-Concern (Enterprise) Value of \$257,000 to \$297,300 (Schedule 5).
- 14.5 The implied EBITDA multiples based on the trailing five-year average EBITDA is between 3.1x and 3.5x but the implied EBITDA multiples are 3.7x to 4.2x based on the maintainable EBITDA (Schedule 5). The multiple ranges are a reasonable level that would be recognized by a potential purchaser.
- 14.6 The Going-Concern Enterprise Value of \$257.0 thousand to \$297.3 thousand was then adjusted downward for the required cash injections to bring working capital inline with industry averages, as discussed in section 13.20. After considering a \$115.3 thousand cash injection to eliminate the adjusted balance sheet deficit and a \$65.5 thousand cash injection to bring working capital inline with industry averages, the Adjusted Going-Concern Enterprise Value of the Company is between \$76,300 and \$116,500 (mid-point of \$96,400) (Schedule 5).
- 14.7 Exhibit 6 – The chart below shows how the Enterprise Value is allocated.



Goodwill

- 14.8 Goodwill is calculated as the excess of the Adjusted Going-Concern (Enterprise) Value of \$76.3 thousand to \$116.5 thousand over the Tangible Asset Backing after required cash injections of \$65.5 thousand. For LCL, goodwill is calculated to be in the range of approximately \$11.0 thousand to \$51.0 thousand (Schedule 5).

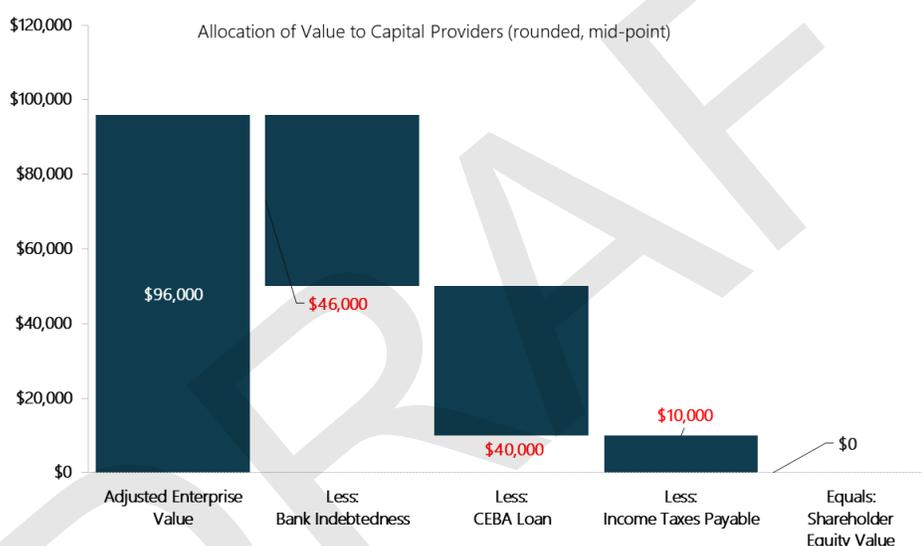
14.9 To test the reasonableness of our conclusion of value, we calculated the number of years of the Company's Maintainable Cash Flow that would be required to recoup the goodwill and other intangible value (payback period). Using the estimated Maintainable Cash Flow range of \$53.4 thousand to \$71.2 thousand, approximately 0.2 years to 0.7 years would be required (Schedule 5). Based on our analysis of relevant documents (Appendix B) as well as our discussions with Management, we understand that this period is supported by the nature of the intangible assets of the Company, which include the following:

- General business goodwill, including organization in place and workforce.

Equity Value Conclusion

14.10 After the Enterprise Value is calculated, we accounted for interest-bearing debt, net non-operating liabilities and amounts due to shareholders / related parties to arrive at the Fair Market Value of the Common Equity. For Lionhart Capital Ltd., the concluded Equity Value is a deficit between \$346,100 and \$305,800 or \$nil as at the Valuation Date (Schedule 5).

14.11 Exhibit 7 – The chart below shows how the Common Equity Value is allocated.



14.12 Exhibit 8 – The excerpt below, from Schedule 5, Note 3, summarizes the amounts available to the various creditors and the amounts that remain unsatisfied in each scenario.

	Reference	Low	High
Adjusted Enterprise Value	Above	76,300	116,500
Less: bank indebtedness	Schedule 2	(46,097)	(46,097)
Amount remaining to be distributed to creditors		30,203	70,403
Less: CEBA loan	Schedule 2	(40,000)	(40,000)
Amount remaining to be distributed to creditors		-	30,403
Less: income taxes payable	Schedule 2	(14,605)	(14,605)
Amount remaining to be distributed to creditors		-	15,798
Less: GST / PST / HST payable	Schedule 2	(93,569)	(93,569)
Amount remaining to be distributed to creditors		-	-
Unsatisfied obligations		Low	High
CEBA loan		9,797	-
Income taxes payable		14,605	-
GST / PST / HST payable		93,569	77,771
Due to shareholder		22,001	22,001
Due to related parties		206,091	206,091
Total		346,063	305,863

15 Market Approach

15.1 In order to corroborate our primary valuation approach, we considered various corroborating, or secondary approaches. In selecting our corroborating approach, we considered the unique characteristics of the Company. Based on our review, we considered a market based corroborating approach.

Market-Based Approach

15.2 The market-based approach requires the development of valuation multiples derived from the review of similar publicly traded companies and public and private transactions.

15.3 As the Company is a private company that is actively operating under the normal course of business, a market-based approach is generally considered appropriate in determining Enterprise Value.

15.4 Our selection of privately traded comparable companies was identified through the database DealStats, a Business Valuation Resources product.

Identification of Comparable Companies and Transactions

15.5 Data regarding actual transactions of private companies are recorded in a number of private databases, or are otherwise publicly available, and are sorted according to the North American Industry Classification System ("NAICS") or Standard Industry Classification ("SIC") systems. Transactions involving companies with the same or similar NAICS or SIC codes are extracted and summarized.

15.6 Our selection of privately traded comparable transactions are identified through DealStats, a database by Business Valuation Resources LLC. In our search, we utilized SIC code 6163: loan brokers and a variety of other search criteria.

15.7 The identified transactions are sorted chronologically. Generally, ceteris paribus, a recent transaction is more relevant than an older one. As well, transactions of companies with a similar size, in terms of revenues, are thought to be more relevant, as are those that are involved in a more closely related industry.

15.8 Refer to Schedule 11 for details surrounding our private company transaction screenings.

Rule-of-Thumb

15.9 This valuation method is included in the Market Approach and is based on rules-of-thumb established and commonly used by companies in the same industry. These rules are established based on actual past transactions and may provide insight into the value of a business, business ownership interest, security, or intangible asset.

15.10 However, value indications derived from the use of rules of thumb should not be given substantial weight unless they are supported by other valuation methods and it can be established that knowledgeable buyers and sellers place substantial reliance on them.

15.11 We determined that there is one appropriate rule-of-thumb used to arrive at the Fair Market Value of the Company. Real estate agencies typically transact at an average EBITDA multiple of 3.5x, which is generally inline with the EBITDA multiples based on our private company transaction screening.

Selection of Value Indicator

15.12 A value indicator is a relationship between two or more data points, as observed in the above noted transactions. For example, if the purchase of a company with revenues in the most recent fiscal year of \$1,000,000 recorded an Enterprise Value of \$400,000, the Enterprise Value to sales value indicator is 0.4.

- 15.13 The selection of an appropriate value indicator is inherently limited to the data which was collected on each of the identified transactions. Data for company sales and EBITDA are most often collected, and as such, the individual relationships between these data points and enterprise value are often selected as value indicators.
- 15.14 The Enterprise Value to EBITDA ratio is one of the commonly accepted relevant measures on which to base valuation multiples as it incorporates the effects of target company's profitability and eliminates the effects of leverage. However, enterprise value to revenue ratios are also commonly used because they largely eliminate biases in differing accounting policies, capital structure, tax rates, profitability and other differences, whether actual or accounting based, that may impact earnings and provide a relatively common basis to assess value.
- 15.15 In general, as the purpose of a business is to generate positive return to the shareholders, a cash flow-based multiple, such as a multiple of EBITDA, is a better indicator of FMV than a multiple of revenue.
- 15.16 As we did not rely upon valuation multiples derived from our public company screening, we utilized rule of thumb valuation multiples from Business Valuation Resources: Business Reference Guide Online, real estate agencies.

Application of Value Indicators

- 15.17 Averages and medians of the above noted value indicators are determined. We also considered the most comparable value indicators to the Company. The selected ratios are then applied to the data observed in the Company, to determine a range of implied Enterprise Value for the target company.
- 15.18 Exhibit 9 – The following excerpt, from Schedule 11, shows the corroborating valuation approaches based on our analysis of EBITDA multiples.

	Reference	Low	High
EBITDA multiple conclusions			
Comparable private transactions	Above	2.50	3.50
Business reference guide online	Note 2	3.00	4.00
EBITDA multiple selected		2.50	4.00
Implied Enterprise Value - EBITDA multiple			
Assumed EBITDA	Note 3	\$ 60,000	\$ 80,000
Multiple applied	Above	2.50	4.00
Implied Enterprise Value - EBITDA approach (rounded)		\$ 150,000	\$ 320,000

- 15.19 As described herein, a market-based valuation approach identifies comparable transactions of companies utilizing the Company's industry identification. We note that the valuation multiples derived from a market-based approach are based on limited transaction information available in the market place; certain of these transactions were dated and based in the United States. Thus, these transactions and companies are not necessarily fully comparable to the Company and do not necessarily capture the unique characteristics and operations of the Company.
- 15.20 We note that our primary approach considers unique characteristics and information obtained from Management. As such, the valuation conclusion derived from our primary approach is generally confirmed by the corroborating approach. We note that the estimate of FMV derived from our primary approach is appropriate for the purpose of this Report.

16 Valuation Summary

16.1 Based on the scope of our review, subject to the restrictions, limitations and assumptions as outlined in our report and our research, analysis and experience, we conclude that the Business Enterprise Value is between \$257,000 and \$297,300 (mid-point of \$277,100). We then considered an adjustment for the current working capital deficit to arrive at the Adjusted Business Enterprise Value of \$76,300 to \$116,500 (mid-point of \$96,400). Once interest-bearing debt, net non-operating liabilities and amounts due to shareholders / related parties have been considered, the Fair Market Value of the Common Equity of Lionhart Capital Ltd. is a deficit between \$346,100 and \$305,800 or \$nil as at the Valuation Date (Schedule 1).

16.2 Exhibit 10 – The excerpt below, from Schedule 1, summarizes the valuation approaches and conclusions.

	<i>Reference</i>	Low	High
Enterprise value			
Net operating assets	<i>Schedule 2</i>	(115,000)	(115,000)
Capitalized cash flow	<i>Schedule 5</i>	257,000	297,300
Market-based	<i>Schedule 11</i>	150,000	320,000
Selected enterprise value (rounded)		257,000	297,300
Midpoint (rounded)		277,100	
Selected enterprise value (rounded)	<i>Above</i>	257,000	297,300
Less: required cash injection for adjusted balance sheet deficit	<i>Schedule 2 (Note 4)</i>	(115,262)	(115,262)
Less: cash injection for required working capital	<i>Schedule 2 (Note 4)</i>	(65,455)	(65,455)
		(180,716)	(180,716)
Adjusted enterprise value (rounded)		76,300	116,500
Midpoint (rounded)		96,400	
Adjusted enterprise value (rounded)	<i>Above</i>	76,300	116,500
Less: interest bearing debt	<i>Schedule 2</i>	(86,097)	(86,097)
Less: net non-operating liabilities	<i>Schedule 2</i>	(108,174)	(108,174)
Less: amounts due to related parties / shareholders	<i>Schedule 2</i>	(228,092)	(228,092)
		(422,363)	(422,363)
Common equity value (rounded)		(346,100)	(305,800)
Midpoint (rounded)		Nil	

17 Draft Report

- 17.1 This draft Report is not complete and is subject to change.
- 17.2 It has been released to the Company for the purpose of obtaining comment, instruction, confirmation or other information required to complete the Report.
- 17.3 The subsequent analysis and amendment, resulting from the comments and/or information received, could have a material effect on the conclusions contained herein. This draft Report is not suitable for any other purpose and may not be relied upon as our conclusion of value.
- 17.4 This draft Report should not be released to any party other than to the Company.

The attached schedules are an integral part of our Report and demonstrate the application of the selected valuation methodology in determining our valuation conclusion.

Should you have any comments regarding the above, please contact Dany Le directly at 780-401-7087.

Yours sincerely,

MNP LLP

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Per: Dany Le, CPA, CMA, CBV
Partner, Valuation and Litigation Support Services

**Appendix A
Schedules**

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Schedules

The following are the schedules that should be read in conjunction with our report:

LIONHART CAPITAL LTD.

Schedule 1: Fair Market Value Summary

Schedule 2: Net Operating Assets Approach – Value Summary

Schedule 3: Historical Balance Sheet – Summary

Schedule 4: Historical Balance Sheet – Internal

Schedule 5: Capitalized Cash Flow Approach – Value Summary

Schedule 6: Estimated Maintainable Cash Flow

Schedule 7: Normalized Cash Flow from Operations

Schedule 8: Historical Income Statement – Summary

Schedule 9: Historical Income Statement – Internal

Schedule 10: Weighted Average Cost of Capital

Schedule 11: Market-Based Valuation Approach – Value Summary

Lionhart Capital Ltd.

Calculation Valuation Report

Fair Market Value Summary

As at April 30, 2023 (in CAD\$'s)

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Schedule 1

	<i>Reference</i>	Low	High
Enterprise value			
Net operating assets	<i>Schedule 2</i>	(115,000)	(115,000)
Capitalized cash flow	<i>Schedule 5</i>	257,000	297,300
Market-based	<i>Schedule 11</i>	150,000	320,000
Selected enterprise value (rounded)		257,000	297,300
Midpoint (rounded)		277,100	
Selected enterprise value (rounded)	<i>Above</i>	257,000	297,300
Less: required cash injection for adjusted balance sheet deficit	<i>Schedule 2 (Note 4)</i>	(115,262)	(115,262)
Less: cash injection for required working capital	<i>Schedule 2 (Note 4)</i>	(65,455)	(65,455)
		(180,716)	(180,716)
Adjusted enterprise value (rounded)		76,300	116,500
Midpoint (rounded)		96,400	
Adjusted enterprise value (rounded)	<i>Above</i>	76,300	116,500
Less: interest bearing debt	<i>Schedule 2</i>	(86,097)	(86,097)
Less: net non-operating liabilities	<i>Schedule 2</i>	(108,174)	(108,174)
Less: amounts due to related parties / shareholders	<i>Schedule 2</i>	(228,092)	(228,092)
		(422,363)	(422,363)
Common equity value (rounded)		(346,100)	(305,800)
Midpoint (rounded)		Nil	

Notes:

- 1 We have selected the capitalized cash flow as our primary approach to valuation. We note that the enterprise value implied in this approach falls within the range of values from our secondary valuation approach and is reasonable based on our analysis of implied goodwill and multiples.
- 2 The Company does not have the financial resources to cover all outstanding creditor claims. The table below summarizes the unsatisfied obligations to creditors. Refer to Schedule 5, Note 3 for a detailed analysis of creditor claims.

Unsatisfied obligations	Low	High
CEBA loan	9,797	-
Income taxes payable	14,605	-
GST / PST / HST payable	93,569	77,771
Due to shareholder	22,001	22,001
Due to related parties	206,091	206,091
Total	346,063	305,863

- 3 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Page 1 of 1

Lionhart Capital Ltd.

Calculation Valuation Report

Net Operating Assets Approach – Value Summary

As at April 30, 2023 (in \$'s)

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Schedule 2

	Reference	Reported NBV	FMV Adjustment	FMV	Non-Operating Assets	Interest Bearing Debt	Net Operating Assets
		Schedule 3		Note 1	Note 2	Note 3	Note 4
Assets							
Current							
Cash and cash equivalents	Note 2A	80,192	-	80,192	-	-	80,192
Accounts receivable	Note 1A	234,944	(234,944)	-	-	-	-
Commissions and payroll advances	Note 1B	27,077	(27,077)	-	-	-	-
Due from related parties	Notes 1C	3,915	(3,915)	-	-	-	-
Prepaid expenses		16,336	-	16,336	-	-	16,336
Total current assets		362,464	(265,936)	96,528	-	-	96,528
Property, plant and equipment	Note 1D	20,427	(20,427)	-	-	-	-
Total assets		382,892	(286,364)	96,528	-	-	96,528
Liabilities							
Current							
Bank indebtedness		46,097	-	46,097	-	(46,097)	-
Accounts payable and accrued liabilities		23,307	-	23,307	-	-	23,307
Wages, benefits, commissions payable		24,343	-	24,343	-	-	24,343
Income taxes payable	Note 2B	14,605	-	14,605	(14,605)	-	-
GST / PST / HST payable	Note 2C	93,569	-	93,569	(93,569)	-	-
Due to shareholder	Note 2D	22,001	-	22,001	(22,001)	-	-
Due to related parties	Notes 1E and 2E	424,670	(218,579)	206,091	(206,091)	-	-
Deposits payable to funder		164,140	-	164,140	-	-	164,140
CEBA loan	Note 1F	60,000	(20,000)	40,000	-	(40,000)	-
Total current liabilities		872,733	(238,579)	634,153	(336,266)	(86,097)	211,790
Total liabilities		872,733	(238,579)	634,153	(336,266)	(86,097)	211,790
Shareholders' equity							
Share capital		100	-	100	-	-	100
Current earnings		(489,941)	(47,785)	(537,725)	336,266	86,097	(115,362)
Total shareholders' equity		(489,841)	(47,785)	(537,625)	336,266	86,097	(115,262)
Total liabilities and shareholders' equity		382,892	(286,364)	96,528	-	-	96,528
Net Operating Assets (rounded)							(115,000)

Page 1 of 2

Lionhart Capital Ltd.

Calculation Valuation Report

Net Operating Assets Approach – Value Summary

As at April 30, 2023 (in \$'s)

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Schedule 2

Notes:

1 Fair Market Value Adjustments:

Unless otherwise noted, all current assets and liabilities have a FMV equal to book value.

- 1A Accounts receivable – as per discussions with Management, this amount is due from Spherical Capital, a related company. Management notes that Spherical Capital has no available funds to pay this amount and is in debt to the Canadian government. As such, this amount was determined to be uncollectible and was adjusted to a fair market value of \$nil as such.
- 1B Commissions and payroll advances – as per discussions with Management, the services related to the advanced commissions and wages will not be fulfilled and therefore, these amounts are considered to be uncollectible. As such, this balance has been adjusted to a fair market value of \$nil.
- 1C Due from related parties – consists of amounts due from Lionhart Insurance and Home Seek. As per discussions with Management, both entities have been dissolved and are no longer registered companies. As such, these amounts have been adjusted to a fair market value of \$nil.
- 1D Property, plant and equipment – as per discussions with Management, these assets were disposed of when the Company's office space was closed due to Covid-19. As such, these assets have been adjusted to a fair market value of \$nil.
- 1E Due to related parties – the table below details the parties to which money is owed and the associated values of the loans. In Note 1A, we adjusted the accounts receivable balance of \$234.9 thousand to a fair market value of \$nil as Management stated that this amount was due from Spherical Capital and was uncollectible. As such, we have assumed that \$234.9 thousand of amounts due to Spherical Capital would not be repaid to compensate for the accounts receivable not repaid. Additionally, Management noted that Geraco has been dissolved and as such, this amount has been adjusted to a fair market value of \$nil.

Related Party	Amount Owed	Adjustment to	
		Fair Market Value	Fair Market Value
SCI	\$ 189,604	\$ -	\$ 189,604
Do Bytes	12,953	-	12,953
Spherical	238,478	(234,944)	3,534
Geraco	(16,364)	16,364	-
Total	\$ 424,670	\$ (218,579)	\$ 206,091

- 1F CEBA loan – one third (\$20.0 thousand) of this amount will be forgiven if the balance is repaid in full by December 31, 2023. We have assumed Management will take advantage of this forgiveness and have adjusted the balance of the loan as such.

2 Non-Operating Assets and Liabilities:

Non-operating assets are those assets which are not required in the day-to-day operations of the Company, in that they are not expected to contribute to the generation of operating cash flows.

- 2A Cash and cash equivalents – the Company held \$80.2 thousand of cash on hand as at November 30, 2022. Based on the adjusted working capital position of the Company as at November 30, 2022, a review of historical working capital requirements and industry comparable levels of working capital, it was determined this cash was required in the ongoing operation of the business.
- 2B Income taxes payable – is considered non-operating and has been removed as such, without having an impact on the operations.
- 2C GST / PST / HST payable – is considered non-operating and has been removed as such, without having an impact on the operations.
- 2D Due to shareholder – has been reclassified for valuation purposes as equity because shareholders are treating these loans as equity in the form of a long-term investment with interest being waived each year and no specific terms of repayment.
- 2E Due to related parties – has been reclassified for valuation purposes as equity because related parties are treating these loans as equity in the form of a long-term investment with interest being waived each year and no specific terms of repayment.

3 Interest Bearing Debt and Equivalents:

Are deducted from the FMV of the net assets to present the Company's balance sheet on an unlevered basis. We assumed a prudent investor would utilize proceeds from the dispositions of non-operating assets to settle interest bearing debts and equivalents to the extent possible.

4 Adjusted Working Capital:

We have calculated the adjusted working capital to assess if it is still at a sufficient level after adjustments were made.

Adjusted working capital:	\$ (115,262)
Maintainable revenue	288,000
Adjusted working capital as a % of revenue	-40.0%
Historical working capital as a % of revenue	42.2%
3-year industry average	22.7%

After adjustments were made, we determined that the Company has insufficient working capital. As such, we have calculated a working capital adjustment below and applied it on Schedule 5. This will decrease Enterprise Value.

3-year industry average working capital	22.7%
Maintainable revenue (mid-point)	288,000
Required working capital	65,455
Adjusted balance sheet deficit (from above)	115,262
Total cash injection requirement	180,716

- 6 Prior to adjustments, the balance sheet shown here is the November 30, 2022 balance sheet. Management noted that this is the most recent balance sheet available as the fiscal year 2023 financial statements were not yet complete and the internal bookkeeper was behind on completing internal financial statements for other more recent periods. As such, we have assumed no material changes to the balance sheet of the Company between November 30, 2022 and April 30, 2023.
- 7 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Balance Sheet - Summary

For the years ended February 28 (in \$'s)

DRAFT

Schedule 3

	2018	2019	2020	2021	November 30, 2022	2018	2019	2020	2021	Nov 30, 2022
					<i>Note 3</i>					
Assets										
Current										
Cash and cash equivalents	41,949	14,990	89,811	40,780	80,192	20.7%	10.7%	33.8%	19.5%	20.9%
Accounts receivable	82,423	39,263	92,156	100,416	234,944	40.6%	28.0%	34.6%	48.1%	61.4%
Commissions and payroll advances	25,103	28,722	27,077	27,077	27,077	12.4%	20.5%	10.2%	13.0%	7.1%
Due from related parties	20,280	20,280	20,280	3,915	3,915	10.0%	14.5%	7.6%	1.9%	1.0%
Prepaid expenses	12,953	16,336	16,336	16,336	16,336	6.4%	11.7%	6.1%	7.8%	4.3%
Total current assets	182,707	119,590	245,660	188,524	362,464	89.9%	85.4%	92.3%	90.2%	94.7%
Property, plant and equipment										
Furniture and equipment	278	278	278	278	278	0.1%	0.2%	0.1%	0.1%	0.1%
Computer equipment	15,504	15,504	15,504	15,504	15,504	7.6%	11.1%	5.8%	7.4%	4.0%
Artwork	467	467	467	467	467	0.2%	0.3%	0.2%	0.2%	0.1%
Vehicles	4,178	4,178	4,178	4,178	4,178	2.1%	3.0%	1.6%	2.0%	1.1%
	20,427	20,427	20,427	20,427	20,427	10.1%	14.6%	7.7%	9.8%	5.3%
Total assets	203,135	140,017	266,087	208,951	382,892	100.0%	100.0%	100.0%	100.0%	100.0%
Liabilities										
Current										
Bank indebtedness	212,339	182,108	165,706	69,113	46,097	104.5%	130.1%	62.3%	33.1%	12.0%
Accounts payable and accrued liabilities	61,298	45,173	13,731	15,312	23,307	30.2%	32.3%	5.2%	7.3%	6.1%
Wages, benefits, commissions payable	2,796	15,890	22,606	22,606	24,343	1.4%	11.3%	8.5%	10.8%	6.4%
Income taxes payable	7,811	144	9,825	9,576	14,605	3.8%	0.1%	3.7%	4.6%	3.8%
GST / PST / HST payable	62,035	63,245	94,319	98,909	93,569	30.5%	45.2%	35.4%	47.3%	24.4%
Due to shareholder	49,311	37,064	40,064	2,106	22,001	24.3%	26.5%	15.1%	1.0%	5.7%
Due to related parties	532,179	532,095	532,095	424,915	424,670	262.0%	380.0%	200.0%	203.4%	110.9%
Deposits payable to funder	20,459	9,001	(8,601)	(11,906)	164,140	10.1%	6.4%	-3.2%	-5.7%	42.9%
CEBA loan	-	-	-	60,000	60,000	0.0%	0.0%	0.0%	28.7%	15.7%
Total current liabilities	948,230	884,721	869,744	690,631	872,733	466.8%	631.9%	326.9%	330.5%	227.9%
Total liabilities	948,230	884,721	869,744	690,631	872,733	466.8%	631.9%	326.9%	330.5%	227.9%
Shareholders' equity										
Share capital	100	100	100	100	100	0.0%	0.1%	0.0%	0.0%	0.0%
Retained earnings	(745,195)	(744,804)	(603,757)	(481,780)	(489,941)	-366.8%	-531.9%	-226.9%	-230.6%	-128.0%
Total shareholders' equity	(745,095)	(744,704)	(603,657)	(481,680)	(489,841)	-366.8%	-531.9%	-226.9%	-230.5%	-127.9%
Total liabilities and shareholders' equity	203,135	140,017	266,087	208,951	382,892	100.0%	100.0%	100.0%	100.0%	100.0%

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Balance Sheet - Summary

For the years ended February 28 (in \$'s)

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Schedule 3

Notes:

- 1 The above information was summarized from the Company's internal financial statements, as prepared by Management, detailed on Schedule 4. All items on Schedule 4 were summarized according to the following categories and presented here:

Category	Reclass Value
Cash and cash equivalents	1
Accounts receivable	2
Commissions and payroll advances	3
Due from shareholder	4
Due from related parties	5
Income taxes recoverable	6
Prepaid expenses	7
Furniture and equipment	8
Computer equipment	9
Artwork	10
Vehicles	11
Bank indebtedness	12
Accounts payable and accrued liabilities	13
Wages, benefits, commissions payable	14
Income taxes payable	15
GST / PST / HST payable	16
Due to shareholder	17
Due to related parties	18
Deposits payable to funder	19
CEBA loan	20
Share capital	21
Retained earnings	22

- 2 MNP Ratio Analysis:

	2018	2019	2020	2021	November 30, 2022
Operating net working capital	77,874	29,245	197,644	158,596	146,759
As a % of revenues	11.3%	5.0%	60.2%	58.8%	75.6%
Working capital ratio	1.92	1.42	8.13	7.10	1.69
Investments in fixed assets	20,427	20,427	20,427	20,427	20,427
As a % of revenues	3.0%	3.5%	6.2%	7.6%	10.5%

- 2A MNP Ratio Analysis, 5 Year Averages:

Operating net working capital	122,024
As a % of revenues	42.2%
Working capital ratio	4.05
Investments in fixed assets	20,427
As a % of revenues	6.1%

- 2B MNP Ratio Analysis, Industry Averages (Loan Brokers):

Net working capital, % of revenue	33.3%
Fixed assets, % of revenue	1.8%

- 3 The most recent balance sheet made available was as at November 30, 2022. Management noted that this is the most recent balance sheet available as the fiscal year 2023 financial statements were not yet complete and the internal bookkeeper was behind on completing internal financial statements for other more recent periods. As such, we have assumed no material changes to the balance sheet of the Company have occurred between November 30, 2022 and April 30, 2023.
- 4 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

	2018	2019	2020	2021	November 30, 2022	Reclass Note 2	Reference
Assets							
Current							
ATB treasury branch	12,952	6,684	41,635	35,900	26,704	1	
TD chequing	28,997	8,305	48,176	4,881	53,488	1	
CRA clearing	-	-	-	-	(830)	N/A	Note 3
Commissions advanced	25,103	28,182	27,077	27,077	27,077	3	
Advances payroll	-	539	-	-	-	3	
Lionhart Insurance - receivable	2,957	2,957	2,957	2,957	2,957	5	
Spherical - receivable	(329,622)	(329,538)	(329,538)	-	-	N/A	Note 4
Due to/from Geraco	16,364	16,364	16,364	-	-	5	
Home Seek - receivable	959	959	959	959	959	5	
Accounts receivable - unlinked	6,010	6,010	6,010	-	-	2	
Accounts receivable	76,413	33,253	86,146	100,416	234,944	2	
Income taxes recoverable	919	919	919	-	-	N/A	Note 5
Prepaid expenses	12,953	16,336	16,336	16,336	16,336	7	
Total current assets	(145,996)	(209,029)	(82,959)	188,524	361,634		
Property, plant and equipment							
Furniture and equipment	278	278	278	278	278	8	
Computer equipment	15,504	15,504	15,504	15,504	15,504	9	
Artwork	467	467	467	467	467	10	
Vehicles	4,178	4,178	4,178	4,178	4,178	11	
	20,427	20,427	20,427	20,427	20,427		
Total assets	(125,569)	(188,602)	(62,531)	208,951	382,061		

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Balance Sheet - Internal

For the years ended February 28 (in \$'s)

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Schedule 4

	2018	2019	2020	2021	November 30, 2022	Reclass Note 2	Reference
Liabilities							
Current							
Shareholder loan	48,044	35,797	35,797	(2,162)	17,734	17	
CIBC Bizline Visa	41,000	41,000	41,000	-	-	12	
CIBC Aventura Mastercard 4259	47,116	33,463	30,467	18,760	(2,600)	12	
CIBC Visa 6391	34,904	-	-	-	-	12	
CIBC dividend Visa 1684	(91)	(69)	(69)	(2,349)	(2,349)	12	
CIBC LOC	1,147	-	-	-	-	12	
Visa - Royal 3073/3065	1,643	3,889	1,711	2,090	476	12	
Visa - RBC 0894/0902	2,095	2,998	-	257	94	12	
TD Visa 9576	(18,000)	(18,000)	(18,000)	-	-	12	
TD LOC	(11,061)	(34,785)	(34,785)	-	-	12	
TD LOC 3202476	-	-	-	(695)	(940)	12	
TD LOC 3254336	-	-	-	20,000	20,000	12	
TD CEBA loan	-	-	-	60,000	60,000	20	
RBC LOC	26,616	87,918	84,918	-	2,158	12	
MBNA 8057	-	30,857	28,102	(143)	(143)	12	
MBNA 6442	36,423	(0)	(0)	-	-	12	
MBNA 7397	44,812	34,840	32,365	31,195	29,405	12	
MBNA Alaska 9091	5,737	(3)	(3)	(3)	(3)	12	
Loan to Lionhart Capital Ltd. - G Bevan	1,267	1,267	4,267	4,267	4,267	17	
Loan to Lionhart Capital Ltd. from SCI	189,604	189,604	189,604	189,604	189,604	18	
Loan to Lionhart Capital Ltd. - Do Bytes	12,953	12,953	12,953	12,953	12,953	18	
EI payable	876	876	2,824	2,824	3,274	14	
CPP payable	1,777	1,206	5,973	5,973	7,260	14	
Income taxes	3,225	3,796	13,476	12,308	16,507	15	
Payroll adjustment previous years	405	405	405	405	405	14	
Vacation earned	(261)	(334)	(334)	(334)	(334)	14	
Accounts payable	59,850	43,725	12,282	13,864	21,858	13	
AP clearing account	(1,698)	(1,698)	(1,698)	(1,698)	(1,698)	13	
Accrued commissions payable	-	13,738	13,738	13,738	13,738	14	
Accrued liabilities	3,146	3,146	3,146	3,146	3,146	13	
Deposits payable to funder	20,459	9,001	(8,601)	(11,906)	164,140	19	
Federal corporate taxes	4,812	(3,427)	(3,427)	(2,733)	(2,733)	15	
Provincial corporate taxes	694	694	694	-	-	15	
GST installments	-	-	-	(9,457)	(27,110)	16	
GST payable	62,544	62,544	62,544	-	-	16	
GST collected	(976)	(734)	33,353	33,353	33,353	16	
GST paid	(1,182)	(214)	(3,228)	(3,228)	(3,228)	16	
GST/HST payable	-	-	-	5,284	2,421	16	
GST/HST suspense	-	-	-	72,957	84,120	16	
PST payable	-	-	-	-	4,013	16	
Due to / from Spherical	-	-	-	238,723	238,478	18	
Due to / from Geraco	-	-	-	(16,364)	(16,364)	18	
Ontario HST collected	1,650	1,650	1,650	-	-	16	
Total current liabilities	619,526	556,102	541,125	690,631	871,903		
Total liabilities	619,526	556,102	541,125	690,631	871,903		
Shareholders' equity							
Share capital	100	100	100	100	100	21	
Dividends	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	22	
Retained earnings	(684,687)	(665,953)	(634,804)	(462,997)	(416,275)	22	
Current earnings	49,492	31,149	141,047	91,217	36,334	22	
Total shareholders' equity	(745,095)	(744,704)	(603,657)	(481,680)	(489,841)		
Total liabilities and shareholders' equity	(125,569)	(188,602)	(62,532)	208,951	382,062		

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Balance Sheet - Internal

For the years ended February 28 (in \$'s)

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Schedule 4

Notes:

- 1 The above information was obtained from the Company's internal financial statements, as prepared by Management.
- 2 Schedule 3 displays a summarized version of the Company's balance sheet. The table below displays the summary asset, liability and equity categories and their associated reclass values.

Category	Reclass Value
Cash and cash equivalents	1
Accounts receivable	2
Commissions and payroll advances	3
Due from shareholder	4
Due from related parties	5
Income taxes recoverable	6
Prepaid expenses	7
Furniture and equipment	8
Computer equipment	9
Artwork	10
Vehicles	11
Bank indebtedness	12
Accounts payable and accrued liabilities	13
Wages, benefits, commissions payable	14
Income taxes payable	15
GST / PST / HST payable	16
Due to shareholder	17
Due to related parties	18
Deposits payable to funder	19
CEBA loan	20
Share capital	21
Retained earnings	22

- 3 CRA clearing was not reclassified. This item was a negative asset and as such, it was manually reclassified as a liability (income taxes payable, reclass category 15).
- 4 Spherical - receivable was not reclassified. This item was a negative asset and as such, it was manually reclassified as a liability (due to related parties, reclass category 18).
- 5 Income taxes recoverable was not reclassified. This item was manually reclassified as a negative liability (income taxes payable, reclass category 15) to present income taxes payable net of amounts receivable.
- 6 The most recent balance sheet made available was as at November 30, 2022. Management noted that this is the most recent balance sheet available as the fiscal year 2023 financial statements were not yet complete and the internal bookkeeper was behind on completing internal financial statements for other more recent periods. As such, we have assumed no material changes to the balance sheet of the Company have occurred between November 30, 2022 and April 30, 2023.
- 7 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Page 3 of 3

	<i>Reference</i>	Low	High
Estimated maintainable cash flow	<i>Schedule 6</i>	53,400	71,200
Capitalization multiple	<i>Schedule 10</i>	4.5	4.0
Capitalized cash flow value		242,377	282,655
Tax shield on existing U.C.C. balance (rounded)	<i>Note 1</i>	-	-
Present value of non-capital loss carry-forwards (rounded)	<i>Note 4</i>	14,600	14,600
Enterprise value	<i>Note 2</i>	256,977	297,255
Rounded		257,000	297,300
Midpoint (rounded)		277,100	
Enterprise value (rounded)	<i>Above</i>	257,000	297,300
Less: required cash injection for adjusted balance sheet deficit	<i>Schedule 2 (Note 4)</i>	(115,262)	(115,262)
Less: cash injection for required working capital	<i>Schedule 2 (Note 4)</i>	(65,455)	(65,455)
		(180,716)	(180,716)
Adjusted enterprise value		76,261	116,539
Rounded		76,300	116,500
Midpoint (rounded)		96,400	
Non-operating assets and liabilities:			
Less: bank indebtedness	<i>Schedule 2</i>	(46,097)	(46,097)
Less: CEBA loan	<i>Schedule 2</i>	(40,000)	(40,000)
Less: income taxes payable	<i>Schedule 2</i>	(14,605)	(14,605)
Less: GST / PST / HST payable	<i>Schedule 2</i>	(93,569)	(93,569)
Less: amounts due to shareholder	<i>Schedule 2</i>	(22,001)	(22,001)
Less: amounts due to related parties	<i>Schedule 2</i>	(206,091)	(206,091)
		(422,363)	(422,363)
Equity value	<i>Note 3</i>	(346,103)	(305,825)
Less: redemption value of preferred shares		N/A	N/A
Equity value to the common shares		Nil	Nil
Rounded		Nil	Nil
Midpoint (rounded)		Nil	
Calculation of goodwill/intangible asset value			
Adjusted enterprise value	<i>Above</i>	76,261	116,539
Net operating assets after required cash injections		65,455	65,455
Goodwill/intangible asset value		10,806	51,084
Rounded		11,000	51,000
As a number of years of maintainable EBITDA		0.2	0.6
As a number of years of maintainable cash flow		0.2	0.7

Lionhart Capital Ltd.

Calculation Valuation Report

Capitalized Cash Flow Approach – Value Summary

As at April 30, 2023 (in \$'s)

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Schedule 5

Notes:

- 1 A prospective purchaser of the Company's shares would be able to shield a certain portion of the expected future cash flows by claiming capital cost allowance (C.C.A.) on the undepreciated capital cost (U.C.C.) of the Company's existing capital assets. In this case, the Company had no available UCC balances as at February 28, 2022 which we have assumed is unchanged at the Valuation Date.

Implied Multiples:	Low	High
Going-concern Enterprise Value / Revenue LTM	1.3 x	1.5 x
Going-concern Enterprise Value / EBITDA 5-Year Average	3.1 x	3.5 x
Going-concern Enterprise Value / Maintainable EBITDA	3.7 x	4.2 x

- 3 The Company does not have the financial resources to cover all outstanding creditor claims. The table below summarizes the amounts available to the various creditors and the amounts unsatisfied in each scenario. We have assumed creditors would be paid in the order displayed in the table.

	Reference	Low	High
Adjusted Enterprise Value	Above	76,300	116,500
Less: bank indebtedness	Schedule 2	(46,097)	(46,097)
Amount remaining to be distributed to creditors		30,203	70,403
Less: CEBA loan	Schedule 2	(40,000)	(40,000)
Amount remaining to be distributed to creditors		-	30,403
Less: income taxes payable	Schedule 2	(14,605)	(14,605)
Amount remaining to be distributed to creditors		-	15,798
Less: GST / PST / HST payable	Schedule 2	(93,569)	(93,569)
Amount remaining to be distributed to creditors		-	-
Unsatisfied obligations		Low	High
CEBA loan		9,797	-
Income taxes payable		14,605	-
GST / PST / HST payable		93,569	77,771
Due to shareholder		22,001	22,001
Due to related parties		206,091	206,091
Total		346,063	305,863

- 4 Present Value of Non-Capital Loss Carry-Forwards
Non-capital losses to be carried forward to future tax years February 28, 2022 \$ 264,002

The most recent income and tax related information provided was for the fiscal year ended February 28, 2022. As such, we have assumed the amount of non-capital losses outstanding as at February 28, 2022 was unchanged at the Valuation Date.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Applied over next 4 years	\$ 66,001	\$ 66,001	\$ 66,001	\$ 66,001		
Estimated taxes	7,260	7,260	7,260	7,260		
Applied over next 6 years	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000
Estimated taxes	4,840	4,840	4,840	4,840	4,840	4,840
Discount rate	28.8%					
Year	1	2	3	4	5	6
Present value factor	0.78	0.60	0.47	0.36	0.28	0.22
Present value over next 4 years	5,636	4,376	3,397	2,637		
Present value over next 6 years	3,758	2,917	2,265	1,758	1,365	1,060
Total present value, next 4 years	16,046					
Total present value, next 6 years	13,122					
Average (rounded)	14,600					

- 5 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Lionhart Capital Ltd.

Calculation Valuation Report

Estimated Maintainable Cash Flow

As at April 30, 2023 (in \$'s)

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Schedule 6

	<i>Reference</i>	<u>Low</u>	<u>High</u>
Summary of estimated EBITDA:	<i>Schedule 7</i>	60,000	80,000
Income taxes (balance at 11.0%)	<i>Note 1</i>	(6,600)	(8,800)
Income taxes (balance at 23.0%)	<i>Note 1</i>	-	-
Maintainable cash flow, after tax		53,400	71,200
Adjustments:			
Sustaining capital reinvestment	<i>Note 2</i>	-	-
Estimated maintainable cash flow (rounded)		53,400	71,200

Notes:

- 1 For the purpose of this Report, we have assumed that a notional purchaser would have access to the small business deduction. As such, the first \$500.0 thousand of income would be taxable at a corporate rate of 11.0% and income above \$500.0 thousand would be taxable at a corporate rate of 23.0%. In this case, the Company does not produce maintainable income above \$500.0 thousand therefore, the entire balance is taxable at a rate of 11.0%.
- 2 The Company carries no capital assets and therefore, we have assumed that the Company requires no sustaining capital reinvestment to maintain existing operations.
- 3 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Page 1 of 1

	Reference	2018	2019	2020	2021	2022	Maintainable	
							Low Note 5	High Note 5
Revenue	<i>Schedule 8</i>	688,782	589,420	328,530	269,844	194,065	250,000	325,000
Cost of sales	<i>Schedule 8</i>	57,088	105,764	29,087	52,533	94,642	50,000	65,000
% of revenue		8.3%	17.9%	8.9%	19.5%	48.8%	20.0%	20.0%
Gross profit		631,694	483,655	299,442	217,311	99,423	200,000	260,000
% of revenue		91.7%	82.1%	91.1%	80.5%	51.2%	80.0%	80.0%
Reported operating expenses	<i>Schedule 8</i>	582,202	452,506	158,395	174,115	176,635	-	-
Normalization adjustments								
Professional fees	<i>Note 4A</i>	(4,908)	(5,000)	-	(5,600)	(235)	-	-
Bookkeeping fees - reported	<i>Note 4B</i>	(9,046)	(21,840)	(6,750)	(6,175)	(3,094)	-	-
Bookkeeping fees - normalized	<i>Note 4B</i>	9,046	7,900	6,750	6,175	3,094	-	-
Interest and bank charges	<i>Note 4C</i>	(11,931)	(4,922)	(1,935)	(2,774)	(77)	-	-
Bad debt	<i>Note 4D</i>	-	(400)	-	-	-	-	-
Repairs and maintenance - reported	<i>Note 4E</i>	(26,617)	(26,251)	(4,184)	(11,304)	(8,306)	-	-
Repairs and maintenance - adjusted	<i>Note 4E</i>	4,200	4,200	4,200	4,200	4,200	-	-
Gifts	<i>Note 4F</i>	(618)	(2,648)	(346)	-	(387)	-	-
Insurance	<i>Note 4G</i>	(4,284)	(2,152)	-	-	199	-	-
Meals and entertainment	<i>Note 4H</i>	(8,303)	(10,134)	(1,891)	(483)	(2,326)	-	-
Vehicle expenses	<i>Note 4I</i>	(26,533)	(19,279)	(6,488)	(3,101)	(2,807)	-	-
Payments to Geraco	<i>Note 4J</i>	(1,000)	(3,000)	-	-	-	-	-
Travel	<i>Note 4K</i>	(15,264)	(5,577)	(1,791)	(406)	(326)	-	-
Utilities	<i>Note 4L</i>	(115)	-	-	-	-	-	-
Rent	<i>Note 4M</i>	-	-	(2,416)	(3,836)	-	-	-
Adjusted operating expenses		486,830	363,402	143,545	150,812	166,569	140,000	180,000
Adjusted income from operations		144,864	120,254	155,898	66,499	(67,146)	60,000	80,000
EBITDA (rounded)		144,900	120,300	155,900	66,500	(67,100)	60,000	80,000
% of revenue		21.0%	20.4%	47.5%	24.6%	-34.6%	24.0%	24.6%
Summary of estimated EBITDA:								
EBITDA - Last 3 year average		52,000	19.7%					
EBITDA - Last 5 year average		84,000	20.3%					
EBITDA - Last 3 year weighted average		15,000	6.2%					
EBITDA - Last 5 year weighted average		52,000	15.9%					
EBITDA - Recent fiscal year		(67,000)	-34.5%					
EBITDA - Estimated maintainable (mid-point)		70,000	24.3%					

	Low	High
Selected range	60,000	80,000
% of maintainable revenue	24%	25%

Lionhart Capital Ltd.

Calculation Valuation Report

Normalized Cash Flow from Operations

For the years ended February 28

DRAFT

Schedule 7

Notes:

1 Ratio Analysis:	2018	2019	2020	2021	2022	Low	High
						<i>Maintainable</i>	
Sales growth	NA	-14.4%	-44.3%	-17.9%	-28.1%	28.8%	67.5%
Gross margin	91.7%	82.1%	91.1%	80.5%	51.2%	80.0%	80.0%
EBITDA margin	21.0%	20.4%	47.5%	24.6%	-34.6%	24.0%	24.6%

1A Ratio Summary:

Sales CAGR (compound annual growth rate) - last 4 years	-27.1%
Sales CAGR (compound annual growth rate) - last 3 years	-30.9%
Gross margin - last 5 year average	79.3%
Gross margin - last 3 year average	74.3%
EBITDA margin - last 5 year average	15.8%
EBITDA margin - last 3 year average	12.5%

2 Industry Ratio Analysis:

	2018	2019	2020	2021	2022
Sales growth	-1.4%	15.6%	33.7%	8.4%	9.4%
Gross margin	96.5%	82.9%	69.4%	72.4%	N/A
EBITDA margin	36.9%	25.5%	61.0%	26.0%	N/A

2A Industry Ratio Summary:

Sales CAGR (compound annual growth rate) - last 4 years	16.3%
Sales CAGR (compound annual growth rate) - last 3 years	16.6%
Gross margin - last 5 year average	80.3%
Gross margin - last 3 year average	70.9%
EBITDA margin - last 5 year average	37.4%
EBITDA margin - last 3 year average	43.5%

3 Reported EBITDA

	2018	2019	2020	2021	2022
Reported earnings from operations	49,491	31,149	141,047	43,196	(77,212)
Interest and bank charges	11,931	4,922	1,935	2,774	77
Reported EBITDA	61,422	36,072	142,982	45,970	(77,135)
EBITDA margin %	8.9%	6.1%	43.5%	17.0%	-39.7%

4 Adjustments and Normalizations:

- 4A Professional fees – consulting fees, legal fees, court costs and professional fees have been considered non-recurring and have been added back as such. A breakdown of all professional fees is provided on Schedule 8, Note 5.
- 4B Bookkeeping fees – as shown on Schedule 8, Note 5, bookkeeping fees are included in professional fees. These expenses were abnormally high in 2019 and as such, we have normalized the expense in this year based on the average amount incurred in 2018 and 2020.
- 4C Interest and bank charges – the interest portion of interest and bank charges has been added back to operating cash flows to convert them to unlevered cash flows for the purposes of calculating the Company's enterprise value. A breakdown of interest and bank charges is provided on Schedule 8, Note 4.
- 4D Bad debt – this expense was only incurred in 2019. As such, it has been considered non-recurring and has been added back.
- 4E Repairs and maintenance – according to discussions with Management, the Company no longer carries any amount of fixed assets and as such, only a minimal amount of repairs and maintenance expense would be required. As such, we have normalized the amount of this expense in each year based on the amount incurred in 2020, the year with the least amount of repairs and maintenance expense.
- 4F Gifts – are considered non-operating and not required to generate cash flows. As such, this expense has been added back.
- 4G Insurance – this expense was only incurred in 2018 and 2019 before a negative expense was incurred in 2022. As such, insurance expenses have been considered non-recurring and have been added back.
- 4H Meals and entertainment – this expense has been considered non-operating and has been added back as such.
- 4I Vehicle expenses – this expense has been considered non-operating and has been added back as such.
- 4J Payments to Geraco – according to discussions with Management, these payments were made to a related party as a form of shareholder compensation. As such, this expense has been considered non-operating and has been added back.
- 4K Travel – this expense has been considered non-operating and has been added back as such.
- 4L Utilities – this expense was only incurred in 2018. As such, it is considered non-recurring and has been added back as such.
- 4M Rent – this expense was only incurred in 2020 and 2021. As per discussions with Management, the Company no longer has an office space. We have assumed employees can work from home and that the Company would not need to incur rent expenses. As such, this expense is considered non-recurring and has been added back as such.

5 Estimated Maintainable Cash Flow Assumptions:

- 5A These assumptions are based on adjusted historical trends, industry benchmarking and guidance from management. These maintainable assumptions are carried over to Schedule 6 to determine the selected EBITDA and cash flow.
- 5B Revenue – the low-end estimate of \$250.0 thousand is based on average revenue from 2020 through 2022. The high-end estimate of \$325.0 thousand is based on revenue reported in 2020, the high in the prior three years.
- 5C Cost of sales – the estimate of 20.0% of revenue in both the low and high scenarios is based on the average cost of sales over the historical period.
- 5D Operating expenses – the low-end estimate of \$140.0 thousand is based on adjusted operating expenses in 2020, the year with the lowest operating expenses in the prior three years. The high-end estimate of \$180.0 thousand is based on modest growth of adjusted operating expenses in 2022. This estimate assumes operating expenses will continue to grow modestly.

- 6 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Income Statement - Summary

For the years ended February 28 (in \$'s)

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Schedule 8

	<i>Reference</i>	2018	2019	2020	2021	2022
Revenue		688,782	589,420	328,530	269,844	194,065
Cost of sales						
Appraisal expenses		-	-	-	637	-
Subcontractors	<i>Note 3</i>	35,281	87,918	14,502	2,656	51,965
Commissions	<i>Note 3</i>	-	956	8,524	38,715	34,916
Registration / search fees		11,375	12,959	3,436	4,179	49
Referral fees		10,433	3,931	2,625	6,346	7,712
		57,088	105,764	29,087	52,533	94,642
Gross margin		631,694	483,655	299,442	217,311	99,423
Operating expenses						
Advertising and promotion		12,832	6,187	1,147	9,392	2,613
Professional fees	<i>Note 5</i>	13,954	26,840	6,750	11,775	6,579
Interest and bank charges	<i>Note 4</i>	17,107	9,771	2,672	5,898	2,989
Bad debt		-	400	-	-	-
Office		4,071	7,157	6,261	1,780	1,970
Repairs and maintenance		26,617	26,251	4,184	11,304	8,306
Courier / freight / postage		1,431	471	260	96	156
Gifts		618	2,648	346	-	387
Insurance		4,284	2,152	-	-	(199)
Meals and entertainment		8,303	10,134	1,891	483	2,326
Unclassified / miscellaneous	<i>Note 6</i>	4,685	44,750	-	-	-
Memberships and dues		340	2,505	353	-	33
Salaries, wages and benefits	<i>Note 3</i>	421,951	270,148	120,747	118,506	140,100
Telephone, fax and internet		21,613	13,047	3,757	7,501	8,242
Vehicle expenses		26,533	19,279	6,488	3,101	2,807
Payments to Geraco		1,000	3,000	-	-	-
Professional development/training		1,485	2,188	(668)	38	-
Travel		15,264	5,577	1,791	406	326
Utilities		115	-	-	-	-
Rent		-	-	2,416	3,836	-
		582,202	452,506	158,395	174,115	176,635
Earnings from operations		49,491	31,149	141,047	43,196	(77,212)
Other items						
CEWS income		-	-	-	48,021	35,787
		-	-	-	48,021	35,787
Earnings before income taxes		49,491	31,149	141,047	91,217	(41,425)
Provision for income taxes		-	-	-	-	-
Net earnings		49,491	31,149	141,047	91,217	(41,425)

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Income Statement - Summary

For the years ended February 28 (in \$'s)

DRAFT

Schedule 8

Notes:

- 1 The above information was summarized from the Company's internal financial statements, as prepared by Management, detailed on Schedule 9. All items on Schedule 9 were summarized according to the following categories and presented here:

Category	Reclass Value
Revenue	1
Appraisal expenses	2
Subcontractors	3
Commissions	4
Registration / search fees	5
Referral fees	6
Advertising and promotion	7
Professional fees	8
Interest and bank charges	9
Bad debt	10
Office	11
Repairs and maintenance	12
Courier / freight / postage	13
Gifts	14
Insurance	15
Meals and entertainment	16
Unclassified / miscellaneous	17
Memberships and dues	18
Salaries, wages and benefits	19
Telephone, fax and internet	20
Vehicle expenses	21
Payments to Geraco	22
Professional development / training	23
Travel	24
Utilities	25
Rent	26
CEWS income	27

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Income Statement - Summary

For the years ended February 28 (in \$'s)

DRAFT

Schedule 8

2 Percent of revenue analysis:	2018	2019	2020	2021	2022
Revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales					
Appraisal expenses	0.0%	0.0%	0.0%	0.2%	0.0%
Subcontractors	5.1%	14.9%	4.4%	1.0%	26.8%
Commissions	0.0%	0.2%	2.6%	14.3%	18.0%
Registration / search fees	1.7%	2.2%	1.0%	1.5%	0.0%
Referral fees	1.5%	0.7%	0.8%	2.4%	4.0%
	8.3%	17.9%	8.9%	19.5%	48.8%
Gross margin	91.7%	82.1%	91.1%	80.5%	51.2%
Operating expenses					
Advertising and promotion	1.9%	1.0%	0.3%	3.5%	1.3%
Professional fees	2.0%	4.6%	2.1%	4.4%	3.4%
Interest and bank charges	2.5%	1.7%	0.8%	2.2%	1.5%
Bad debt	0.0%	0.1%	0.0%	0.0%	0.0%
Office	0.6%	1.2%	1.9%	0.7%	1.0%
Repairs and maintenance	3.9%	4.5%	1.3%	4.2%	4.3%
Courier / freight / postage	0.2%	0.1%	0.1%	0.0%	0.1%
Gifts	0.1%	0.4%	0.1%	0.0%	0.2%
Insurance	0.6%	0.4%	0.0%	0.0%	-0.1%
Meals and entertainment	1.2%	1.7%	0.6%	0.2%	1.2%
Unclassified / miscellaneous	0.7%	7.6%	0.0%	0.0%	0.0%
Memberships and dues	0.0%	0.4%	0.1%	0.0%	0.0%
Salaries, wages and benefits	61.3%	45.8%	36.8%	43.9%	72.2%
Telephone, fax and internet	3.1%	2.2%	1.1%	2.8%	4.2%
Vehicle expenses	3.9%	3.3%	2.0%	1.1%	1.4%
Payments to Geraco	0.1%	0.5%	0.0%	0.0%	0.0%
Professional development/training	0.2%	0.4%	-0.2%	0.0%	0.0%
Travel	2.2%	0.9%	0.5%	0.2%	0.2%
Utilities	0.0%	0.0%	0.0%	0.0%	0.0%
Rent	0.0%	0.0%	0.7%	1.4%	0.0%
	84.5%	76.8%	48.2%	64.5%	91.0%
Earnings from operations	7.2%	5.3%	42.9%	16.0%	-39.8%
Other items					
CEWS income	0.0%	0.0%	0.0%	17.8%	18.4%
	0.0%	0.0%	0.0%	17.8%	18.4%
Earnings before income taxes	7.2%	5.3%	42.9%	33.8%	-21.3%
Provision for income taxes	0.0%	0.0%	0.0%	0.0%	0.0%
Net earnings	7.2%	5.3%	42.9%	33.8%	-21.3%

Lionhart Capital Ltd.

Calculation Valuation Report

Historical Income Statement - Summary

For the years ended February 28 (in \$'s)

DRAFT

Schedule 8

- 3 The following table shows the combination of subcontractors, commissions, and salaries and wages expenses as a percentage of revenue, over the historical period.

	2018	2019	2020	2021	2022
Subcontractors	35,281	87,918	14,502	2,656	51,965
Commissions	-	956	8,524	38,715	34,916
Salaries, wages and benefits	421,951	270,148	120,747	118,506	140,100
Total	457,231	359,022	143,773	159,877	226,980
As a % of revenue	66%	61%	44%	59%	117%

These expenses increased in 2022 despite revenue decreasing. As per discussions with Management, the remaining employees of the business had to be paid more due to inflationary pressures and changes within the industry leading to employees / subcontractors demanding higher fees.

- 4 The following table details the expenses included in interest and bank charges over the historical period, detailed on Schedule 9.

	2018	2019	2020	2021	2022
Bank and service charges	\$ 3,283	\$ 3,175	\$ 846	\$ 3,124	\$ 2,912
Credit card sales service charge	1,892	1,674	(108)	-	-
Loan interest	8,850	3,439	1,273	2,774	77
Penalties / interest	3,081	1,484	661	-	-
Total interest and bank charges	\$ 17,107	\$ 9,771	\$ 2,672	\$ 5,898	\$ 2,989

- 5 The following table details the expenses included in professional fees over the historical period, detailed on Schedule 9.

	2018	2019	2020	2021	2022
Accounting	\$ -	\$ -	\$ -	\$ -	\$ 3,250
Bookkeeping fees	9,046	21,840	6,750	6,175	3,094
Consulting fees	-	-	-	5,600	-
Legal fees	3,262	-	-	-	235
Court costs	1,545	-	-	-	-
Professional fees	100	5,000	-	-	-
Total professional fees	\$ 13,954	\$ 26,840	\$ 6,750	\$ 11,775	\$ 6,579

- 6 As per discussions with Management, this expense was paid to a number of other brokers as a referral fee for business they sent to the Company.
- 7 As per discussions with Management, the 2023 year-end financial statements are not yet completed and the Company's internal bookkeeper is behind on completing internal financial statements. As such, the income information presented is the most recent information made available.
- 8 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Page 4 of 4

Lionhart Capital Ltd.
Calculation Valuation Report
Historical Income Statement - Internal
For the years ended February 28 (in \$'s)

DRAFT
Schedule 9

	2018	2019	2020	2021	2022	Reclass Note 3
Revenue						
Administration fees	-	-	-	2,123	8,175	1
Ends fee	48,398	45,126	34,746	89,778	27,680	1
Documentation fees	151,857	118,932	400	-	-	1
Processing fee	90	-	53,819	28,438	9,016	1
Insurance	1,505	1,292	3,229	-	-	1
Appraisals	(486)	-	1,317	(231)	-	1
Bonus income	6,288	4,482	11,817	-	-	1
Brokerage refund / adjustment	-	(2,935)	-	-	-	1
Brokerage fees	471,316	422,524	221,828	148,033	149,194	1
Factoring fees	(7)	-	-	-	-	1
Miscellaneous income	8,420	-	-	-	-	1
Referral fees	1,399	-	1,375	1,702	-	1
	<u>688,782</u>	<u>589,420</u>	<u>328,530</u>	<u>269,844</u>	<u>194,065</u>	
Cost of sales						
Appraisal expense	-	-	-	637	-	2
BDM - Subcontractors	35,281	87,918	14,502	2,656	51,965	3
Broker agent commission	-	956	8,524	38,715	34,916	4
Registration / search fees	11,375	12,959	3,436	4,179	49	5
Referral fees expense	10,433	3,931	2,625	6,346	7,712	6
	<u>57,088</u>	<u>105,764</u>	<u>29,087</u>	<u>52,533</u>	<u>94,642</u>	
Gross margin	<u>631,694</u>	<u>483,655</u>	<u>299,442</u>	<u>217,311</u>	<u>99,423</u>	

Page 1 of 5

Lionhart Capital Ltd.
Calculation Valuation Report
Historical Income Statement - Internal
For the years ended February 28 (in \$'s)

DRAFT
Schedule 9

	2018	2019	2020	2021	2022	Reclass Note 3
Operating expenses						
Advertising and promotion	12,832	6,052	1,147	9,392	2,613	7
Accounting	-	-	-	-	3,250	8
Bank and service charges	3,283	3,175	846	3,124	2,912	9
Credit card sales service charge	1,892	1,674	(108)	-	-	9
Bookkeeping fees	9,046	21,840	6,750	6,175	3,094	8
Bad debt	-	400	-	-	-	10
Brokerage/insurance adjustment	203	-	-	-	-	15
Company meetings	-	150	-	-	-	11
Conference	1,194	2,059	(708)	-	-	23
Consulting fees	-	-	-	5,600	-	8
Legal fees	3,262	-	-	-	235	8
Computer repairs and accessories	25,278	24,332	3,526	8,704	8,306	12
Courier/freight	622	246	199	-	-	13
Court costs	1,545	-	-	-	-	8
Gifts	618	2,648	346	-	387	14
Lease expense	150	-	-	-	-	11
Insurance	4,081	677	-	-	(199)	15
Loan interest	8,850	3,439	1,273	2,774	77	9
Meals and entertainment	4,154	4,928	920	483	2,326	16
Meals - disallowed portion of GST	4,150	5,206	970	-	-	16
Misc.	4,685	44,750	-	-	-	17
Memberships	340	2,505	353	-	33	18
Penalties / interest	3,081	1,484	661	-	-	9
Office equipment and repairs	1,276	-	-	-	-	12
Office supplies / operations	3,921	6,743	5,940	1,780	1,970	11
Call centre rent	-	-	2,416	3,836	-	26
Call centre supplies	-	264	321	-	-	11
Call centre communication	-	-	595	-	-	20
Call centre insurance	-	1,475	-	-	-	15
Call centre staff expense	-	132	10,363	98,748	122,486	19
Office maintenance	63	1,919	658	2,600	-	12
Parking	71	490	33	-	12	24
Postage	809	225	61	96	156	13
Professional fees	100	5,000	-	-	-	8
Payments to Geraco	1,000	3,000	-	-	-	22
Employee - BDM	136,287	86,665	27,769	-	1,044	19
Telephone LCL	1,641	2,326	261	1,015	3,906	20
Telephones - cellular	2,890	1,724	1,770	6,486	4,336	20
Cell - active	17,876	8,997	1,131	-	-	20
Cell - inactive	(795)	-	-	-	-	20
Trade shows	-	135	-	-	-	7
Training	291	128	40	38	-	23
Travel	14,636	5,087	1,758	406	314	24
Mileage	557	-	-	-	-	24
Utility bills	115	-	-	-	-	25
Vehicle expenses	5,283	6,279	1,488	3,101	2,807	21
Vehicle allowance	21,250	13,000	5,000	-	-	21
Office salaries	239,708	151,446	72,326	396	444	19
Company EI expense	7,626	5,194	2,383	2,170	2,290	19
Company CPP expense	15,592	10,318	4,931	4,868	5,604	19
Payroll fees	-	-	-	4,026	-	19
Employee benefits	-	-	-	8,298	8,231	19
Payroll adjustments	54	584	-	-	-	19
Medical plan benefits	22,684	15,808	2,974	-	-	19
	582,202	452,506	158,395	174,115	176,635	
Earnings from operations	49,491	31,149	141,047	43,196	(77,212)	
Other items						
CEWS income	-	-	-	48,021	35,787	27
	-	-	-	48,021	35,787	
Earnings before income taxes	49,491	31,149	141,047	91,217	(41,425)	
Provision for income taxes	-	-	-	-	-	
Net earnings	49,491	31,149	141,047	91,217	(41,425)	

Notes:

1 The above information was obtained from the Company's internal financial statements, as prepared by Management.

2 Percent of revenue analysis:	2018	2019	2020	2021	2022
Revenue					
Administration fees	0.0%	0.0%	0.0%	0.8%	4.2%
Ends fee	7.0%	7.7%	10.6%	33.3%	14.3%
Documentation fees	22.0%	20.2%	0.1%	0.0%	0.0%
Processing fee	0.0%	0.0%	16.4%	10.5%	4.6%
Insurance	0.2%	0.2%	1.0%	0.0%	0.0%
Appraisals	-0.1%	0.0%	0.4%	-0.1%	0.0%
Bonus income	0.9%	0.8%	3.6%	0.0%	0.0%
Brokerage refund / adjustment	0.0%	-0.5%	0.0%	0.0%	0.0%
Brokerage fees	68.4%	71.7%	67.5%	54.9%	76.9%
Factoring fees	0.0%	0.0%	0.0%	0.0%	0.0%
Miscellaneous income	1.2%	0.0%	0.0%	0.0%	0.0%
Referral fees	0.2%	0.0%	0.4%	0.6%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales					
Appraisal expense	0.0%	0.0%	0.0%	0.2%	0.0%
BDM - Subcontractors	5.1%	14.9%	4.4%	1.0%	26.8%
Broker agent commission	0.0%	0.2%	2.6%	14.3%	18.0%
Registration / search fees	1.7%	2.2%	1.0%	1.5%	0.0%
Referral fees expense	1.5%	0.7%	0.8%	2.4%	4.0%
	8.3%	17.9%	8.9%	19.5%	48.8%
Gross margin	91.7%	82.1%	91.1%	80.5%	51.2%

	2018	2019	2020	2021	2022
Operating expenses					
Advertising and promotion	1.9%	1.0%	0.3%	3.5%	1.3%
Accounting	0.0%	0.0%	0.0%	0.0%	1.7%
Bank and service charges	0.5%	0.5%	0.3%	1.2%	1.5%
Credit card sales service charge	0.3%	0.3%	0.0%	0.0%	0.0%
Bookkeeping fees	1.3%	3.7%	2.1%	2.3%	1.6%
Bad debt	0.0%	0.1%	0.0%	0.0%	0.0%
Brokerage/insurance adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
Company meetings	0.0%	0.0%	0.0%	0.0%	0.0%
Conference	0.2%	0.3%	-0.2%	0.0%	0.0%
Consulting fees	0.0%	0.0%	0.0%	2.1%	0.0%
Legal fees	0.5%	0.0%	0.0%	0.0%	0.1%
Computer repairs and accessories	3.7%	4.1%	1.1%	3.2%	4.3%
Courier/freight	0.1%	0.0%	0.1%	0.0%	0.0%
Court costs	0.2%	0.0%	0.0%	0.0%	0.0%
Gifts	0.1%	0.4%	0.1%	0.0%	0.2%
Lease expense	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance	0.6%	0.1%	0.0%	0.0%	-0.1%
Loan interest	1.3%	0.6%	0.4%	1.0%	0.0%
Meals and entertainment	0.6%	0.8%	0.3%	0.2%	1.2%
Meals - disallowed portion of GST	0.6%	0.9%	0.3%	0.0%	0.0%
Misc.	0.7%	7.6%	0.0%	0.0%	0.0%
Memberships	0.0%	0.4%	0.1%	0.0%	0.0%
Penalties / interest	0.4%	0.3%	0.2%	0.0%	0.0%
Office equipment and repairs	0.2%	0.0%	0.0%	0.0%	0.0%
Office supplies / operations	0.6%	1.1%	1.8%	0.7%	1.0%
Call centre rent	0.0%	0.0%	0.7%	1.4%	0.0%
Call centre supplies	0.0%	0.0%	0.1%	0.0%	0.0%
Call centre communication	0.0%	0.0%	0.2%	0.0%	0.0%
Call centre insurance	0.0%	0.3%	0.0%	0.0%	0.0%
Call centre staff expense	0.0%	0.0%	3.2%	36.6%	63.1%
Office maintenance	0.0%	0.3%	0.2%	1.0%	0.0%
Parking	0.0%	0.1%	0.0%	0.0%	0.0%
Postage	0.1%	0.0%	0.0%	0.0%	0.1%
Professional fees	0.0%	0.8%	0.0%	0.0%	0.0%
Payments to Geraco	0.1%	0.5%	0.0%	0.0%	0.0%
Employee - BDM	19.8%	14.7%	8.5%	0.0%	0.5%
Telephone LCL	0.2%	0.4%	0.1%	0.4%	2.0%
Telephones - cellular	0.4%	0.3%	0.5%	2.4%	2.2%
Cell - active	2.6%	1.5%	0.3%	0.0%	0.0%
Cell - inactive	-0.1%	0.0%	0.0%	0.0%	0.0%
Trade shows	0.0%	0.0%	0.0%	0.0%	0.0%
Training	0.0%	0.0%	0.0%	0.0%	0.0%
Travel	2.1%	0.9%	0.5%	0.2%	0.2%
Mileage	0.1%	0.0%	0.0%	0.0%	0.0%
Utility bills	0.0%	0.0%	0.0%	0.0%	0.0%
Vehicle expenses	0.8%	1.1%	0.5%	1.1%	1.4%
Vehicle allowance	3.1%	2.2%	1.5%	0.0%	0.0%
Office salaries	34.8%	25.7%	22.0%	0.1%	0.2%
Company EI expense	1.1%	0.9%	0.7%	0.8%	1.2%
Company CPP expense	2.3%	1.8%	1.5%	1.8%	2.9%
Payroll fees	0.0%	0.0%	0.0%	1.5%	0.0%
Employee benefits	0.0%	0.0%	0.0%	3.1%	4.2%
Payroll adjustments	0.0%	0.1%	0.0%	0.0%	0.0%
Medical plan benefits	3.3%	2.7%	0.9%	0.0%	0.0%
	84.5%	76.8%	48.2%	64.5%	91.0%
Earnings from operations	7.2%	5.3%	42.9%	16.0%	-39.8%
Other items					
CEWS income	0.0%	0.0%	0.0%	17.8%	18.4%
	0.0%	0.0%	0.0%	17.8%	18.4%
Earnings before income taxes	7.2%	5.3%	42.9%	33.8%	-21.3%
Provision for income taxes	0.0%	0.0%	0.0%	0.0%	0.0%
Net earnings	7.2%	5.3%	42.9%	33.8%	-21.3%

- 3 Schedule 8 displays a summarized version of the Company's income statement. The table below displays the summary revenue and expense categories and their associated reclass values.

<u>Category</u>	<u>Reclass Value</u>
Revenue	1
Appraisal expenses	2
Subcontractors	3
Commissions	4
Registration / search fees	5
Referral fees	6
Advertising and promotion	7
Professional fees	8
Interest and bank charges	9
Bad debt	10
Office	11
Repairs and maintenance	12
Courier / freight / postage	13
Gifts	14
Insurance	15
Meals and entertainment	16
Unclassified / miscellaneous	17
Memberships and dues	18
Salaries, wages and benefits	19
Telephone, fax and internet	20
Vehicle expenses	21
Payments to Geraco	22
Professional development/training	23
Travel	24
Utilities	25
Rent	26
CEWS income	27

- 4 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Lionhart Capital Ltd.

Calculation Valuation Report

Weighted Average Cost of Capital (Build Up)

As at April 30, 2023 (in \$'s)

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Schedule 10

Application of the build-up method	Reference	High	Low
Risk free long-term bonds	Note 1	3.80%	3.80%
Kroll equity risk premium	Note 2	6.35%	6.35%
Industry risk premium	Note 3	0.83%	0.83%
Small capitalization stock premium	Note 4	7.83%	7.83%
Company specific risk premium	Note 5	8.00%	12.00%
Cost of equity		26.81%	30.81%
Cost of debt			
Pre-tax cost of debt	Note 6	9.70%	9.70%
Incremental tax rate	Note 7	11.00%	11.00%
After-tax cost of debt		8.63%	8.63%
Market debt to equity ratio	Note 8	-	-
Market debt to total capital ratio	Note 8	0.00%	0.00%
Weighted-average cost of debt (0.00%)		0.00%	0.00%
Weighted-average cost of equity (100.00%)		26.81%	30.81%
Weighted-average cost of capital		26.81%	30.81%
Less:			
Inflation	Note 9	2.00%	2.00%
Expected real growth	Note 10	0.00%	0.00%
Capitalization rate		24.81%	28.81%
Equivalent multiplier, rounded		4.0	3.5
Multiple - mid-year discounting	Note 11 and applied on Schedule 5	4.5	4.0

Page 1 of 2

Lionhart Capital Ltd.

Calculation Valuation Report

Weighted Average Cost of Capital (Build Up)

As at April 30, 2023 (in \$'s)

DRAFT

Schedule 10

Notes:

- 1 The yield on U.S. Treasury 20-year bonds as at April 30, 2023.
- 2 As per Kroll, Cost of Capital Navigator, as at April 30, 2023.
- 3 As per Kroll, Cost of Capital Navigator, as at April 30, 2023, based on GICS 40203020: Investment Banking & Brokerage.
- 4 As per Kroll, Cost of Capital Navigator, as at April 30, 2023.
The size premium is based on the 10B decile, which includes the smallest companies from the dataset.
- 5 In determining the specific company risk premium we considered, among other things, the length of time in the business, the size of the business, specific company financial and operating risk, local competition, brand recognition, and local market place factors.
- 6 We assumed the Company could obtain debt at the Canadian prime rate, 6.70% as at the Valuation Date, plus 3.00%.
- 7 Corporate income tax is based on the combined incremental Provincial and Federal tax rates in effect at the Valuation Date, considering the small business deduction.

8 Estimated Leverage:

8A Balance sheet leverage on fair market value			
% of acceptable accounts receivable (AR - AP)	75%	\$	-
% of prepaid expenses	50%		8,168
Maximum bank debt capacity		\$	8,168
Mid-point enterprise value	Schedule 5		277,100
Maximum bank debt as a % of enterprise value			3%
8B Industry leverage analysis			
Maximum bank debt capacity		\$	-
Mid-point enterprise value			277,100
Maximum bank debt as a % of enterprise value			0%

- 9 The midpoint of the Bank of Canada's long term target rate for inflation of 1.0% to 3.0%.
- 10 The expected real growth rate represents expectations for the average annual growth, in excess of inflation, in the operating cash flows generated by the Company.
- 11 Mid-year discounting - we would expect the Company to earn and incur revenues and expenses, respectively, throughout the fiscal year as opposed to the end of the fiscal year. Therefore we have modified the capitalization rate to recognize a mid-year discounting:
 $(1/WACC-g)*(1+WACC)^{0.5}$
- 12 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Lionhart Capital Ltd.

Calculation Valuation Report

Market-Based Valuation Approach – Value Summary

As at April 30, 2023 (in \$'s)

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Schedule 11

Target Description	Transaction Date	Enterprise Value	Revenue	EBITDA	EBITDA Margin	Enterprise Value	
						Revenue	EBITDA
Loan Brokers							
Mortgage Broker	01/07/2011	175,000	909,898	87,136	9.6%	0.19	2.01
Mortgage Broker	29/07/2008	190,000	635,176	36,278	5.7%	0.30	5.24
Mortgage Brokerage Services	13/10/1999	625,000	1,362,331	112,361	8.2%	0.46	5.56
Misc. Brokers							
Freight Broker	30/06/2022	450,000	2,984,261	249,983	8.4%	0.15	1.80
Broker for Residential Solar Installation Projects	25/02/2022	1,300,000	3,880,800	357,366	9.2%	0.33	3.64
Real-Estate Brokerage Firm	30/08/2019	950,000	3,862,019	409,755	10.6%	0.25	2.32
Auto Transportation Broker	14/10/2015	365,000	1,307,322	123,422	9.4%	0.28	2.96
Printing Broker	10/06/2015	225,000	845,898	134,512	15.9%	0.27	1.67
Average						0.28	3.15
Median						0.27	2.64
Selected						N/A	3.00
			<i>Reference</i>		Low	High	
EBITDA multiple conclusions							
Comparable private transactions			<i>Above</i>		2.50	3.50	
Business reference guide online			<i>Note 2</i>		3.00	4.00	
EBITDA multiple selected					2.50	4.00	
Implied Enterprise Value - EBITDA multiple							
Assumed EBITDA			<i>Note 3</i>		\$ 60,000	\$ 80,000	
Multiple applied			<i>Above</i>		2.50	4.00	
Implied Enterprise Value - EBITDA approach (rounded)					\$ 150,000	\$ 320,000	

Notes:

1 Source of information: DealStats, Business Valuation Resource, LLC., screening criteria as follows:

Loan Brokers:

SIC code: 6163 loan brokers.

Net sales: less than \$2.00 million.

EBITDA: positive.

Further screening based on business description.

Misc. Brokers:

Business description: contains "broker".

Transaction date: newer than January 1, 2015.

Net sales: less than \$5.00 million.

EBITDA: positive.

Further screening based on business description.

2 As per Business Valuation Resources, LLC, Business Reference Guide, Online Edition, Real Estate Agencies.

3 We utilized the Company's maintainable low and high EBITDA, as per Schedule 7.

4 This schedule has been compiled without audit, forms part of and should only be read in conjunction with our Calculation Valuation Report dated June 12, 2023.

Appendix B
Scope of Review

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Scope of Review

- B.1 Before reaching our conclusion on the value noted herein, we reviewed and relied, without audit or verification by us, primarily upon the following information:
- a) The unaudited internal balance sheets of the Company, as prepared by Management, for the fiscal years ended February 28, 2018 through 2021 and at November 30, 2022, inclusive;
 - b) The unaudited internal income statements of the Company, as prepared by Management, for the fiscal years ended February 28, 2018 through 2022, inclusive;
 - c) The Company's certificate of incorporation;
 - d) The Company's corporate federal and provincial tax return for the year ended February 28, 2022;
 - e) Information obtained through our meetings and discussion(s) with Management of the Company;
 - f) A letter of representation obtained from management of the Company wherein they confirmed certain representations and warranties that they have made to us, including a general representation that they have no information or knowledge of any facts or material information not specifically noted in this Report which, in their view, would reasonably be expected to affect the valuation conclusions expressed herein;
 - g) A review of the Company's corporate website, www.lionhartcapital.com;
 - h) Industry trade journal, websites etc;
 - i) 2022-2023 Annual eStatement Studies, The Risk Management Association, www.rmau.org;
 - j) Business Valuation Resources – DealStats – Private Company Transaction Comparables;
 - k) Business Valuation Resources – Business Reference Guide – Online Edition;
 - l) IBISWorld Industry Report – Loan Brokers in the US – January 2023;
 - m) IBISWorld Industry Report – Wholesale Trade Agents and Brokers in the US – April 2023; and,
 - n) Bank of Canada, Rates and Statistics, www.bankofcanada.ca.
- B.2 We have not audited or otherwise verified the accuracy or completeness of the information relied upon in preparing our Report, except as specifically disclosed herein.
- B.3 Should any of the above noted information not be factual or correct our valuation conclusion, as expressed herein, may have been materially different.
- B.4 In arriving at our value conclusion, our scope of review has been restricted by the following:
- a) The balance sheets for the fiscal years ended February 28, 2018 to 2021 and at November 30, 2022, inclusive were prepared by Management of the Company. They have not been reviewed or audited and provide limited verification as to the accuracy or completeness of the information;
 - b) The income statements for the fiscal years ended February 28, 2018 to 2022, inclusive were prepared by Management of the Company. They have not been reviewed or audited and provide limited verification as to the accuracy or completeness of the information;
 - c) The most recent balance sheet provided by the Company was at November 30, 2022 and the most recent income statement provided by the Company was for the fiscal year ended February 28, 2022. Financial statements up to the Valuation Date were requested but not provided. As such, we have assumed that the Company's financial position did not change materially between the dates of the latest financial information made available and the Valuation Date;

- d) We have not investigated the relationship between the Company and its customers and suppliers; rather, we have relied on management's representations in this regard; and,
- e) We have not completed an in-depth review of the industry in which the Company operates. Our cursory review is supplemented by management's representations.

B.5 In our view, these scope limitations do not require a qualification of our value conclusion.

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**Appendix C
Assumptions**

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Assumptions

- C.1 In addition to those assumptions outlined elsewhere in this Report, we have assumed the following as of the Valuation Date:
- a) The Company is expected to continue as a going concern into the foreseeable future;
 - b) In arriving at the conclusion set out herein, we have assumed that all quantitative and qualitative information provided to us is complete and accurate;
 - c) The financial statements and/or financial information provided to us and upon which we have relied in arriving at the conclusion expressed herein, present fairly, in all material respects, the financial position of the Company as well as the results of operations for the relevant periods, and include all, and only, the revenues, expenses, assets and liabilities of the Company;
 - d) The Company has no significant undisclosed liabilities, contractual obligations, substantial commitments or litigation, pending or threatened;
 - e) There were no significant events subsequent to the Valuation Date but prior to the date of our report that would materially impact either the Company's expected future operations, or its current financial position;
 - f) The most recent balance sheet provided by the Company was at November 30, 2022 and the most recent income statement provided by the Company was for the fiscal year ended February 28, 2022. Financial statements up to the Valuation Date were requested but not provided. As such, we have assumed that the Company's financial position did not change materially between the dates of the latest financial information made available and the Valuation Date;
 - g) There were no special purchasers evident in the market who would be willing to pay a premium to purchase the Company as a result of economies of scale or other benefits available only to them;
 - h) The reported net book value of all the recorded assets and liabilities of the Company fairly approximates their respective fair market value, other than as noted herein;
 - i) Substantially all of the Company's reported assets are required in the day-to-day operation of the business, other than as noted herein;
 - j) The Company's optimal capital structure is approximated at a debt-to-total-capital ratio of 0.0 based on industry benchmarks and professional judgment;
 - k) The Company has no sustaining capital reinvestment needs to maintain existing operations, see Schedule 5;
 - l) No written offers have been received by agents and/or management of the Company to acquire either an interest in or all of the Company in the twenty-four months immediately preceding the Valuation Date;
 - m) No other valuation reports have been prepared in respect of the Company in the twenty-four months preceding the Valuation Date;
 - n) Any information reviewed by us in its preliminary version would not have changed significantly in its final version;
 - o) There were no material changes in the state of, or outlook for, the industry or the Company's target markets since the date of the financial information utilized by us, which have not been brought to our attention and that would have a significant impact on our valuation conclusion;
 - p) No significant adjustments would be required to the unaudited historical financial information

- provided by Management had this information been subject to an audit;
- q) The unaudited historical financial information provided by Management did not include any unusual, non-recurring or non-business related items that would require normalization, other than those items reflected in our Report;
 - r) All transactions between related parties have been recorded at arm's length prices, unless otherwise noted;
 - s) Assumptions for the income approach include: i) maintainable revenue ranges between \$250.0 thousand and \$325.0 thousand, ii) maintainable EBITDA ranges between \$60.0 thousand and \$80.0 thousand, iii) the financial statements provided by Management did not include any non-operating revenues or expenses other than as noted herein, iv) capitalization rate ranges between 24.81% and 28.81%, v) present value of non-capital tax loss carry forwards is approx. \$14.6 thousand and, vi) a \$180.7 thousand total cash injection would be required to eliminate the adjusted balance sheet deficit and bring working capital levels inline with industry averages;
 - t) Assumptions for the tangible asset approach include: i) the fair market values of accounts receivable, commissions and payroll advances, amounts due from related parties, and plant property and equipment are \$0, ii) \$218.6 thousand of amounts due to Spherical Capital will not be repaid to compensate the Company for accounts receivable that will not be received from Spherical Capital and, iii) Management will take advantage of CEBA loan forgiveness of \$20.0 thousand;
 - u) The Company is a Canadian-controlled private corporate resident in Alberta and is eligible for the applicable income tax rates available to small businesses;
 - v) The Company is fully compliant with any and all applicable federal, provincial and local laws and regulations;
 - w) Information, estimates and opinions expressed by Management used to form the value conclusion are considered to be accurate. They have not been audited and we accept no liability for them;
 - x) If the shareholder departs, he will enter into a non-compete agreement with the Company to undertake that he will not enter into competition with the Company or attract employees or customers to competitors;
 - y) There are no significant factors bearing on the Fair Market Value of the Shares which have not been considered by us in reaching our valuation conclusion as noted herein; and,
 - z) Should any of the above assumptions not be accurate our valuation conclusion, as expressed herein, may have been materially different.

Appendix D
Discount Rate and Capitalization Multiple

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Discount Rate and Capitalization Multiple

Capitalization Rate (Price/Cash Flow Multiple)

- D.1 We calculated the WACC using the build-up approach. Based on our analysis, we determined an appropriate WACC range for the future operations of the Company. The capitalization rate is determined by deducting the estimated growth factor of 2.0% from the WACC rate.
- D.2 Since the cost of debt is lower than that of equity, the optimal capital structure maximizes the use of debt (within an acceptable range) without increasing the financial risk beyond what the business can bear (leverage potential). In addition, as interest expense is deductible, there is a tax savings available to the Company that lowers the effective cost of debt. Capital not funded by debt is funded through equity.

Cost of Debt

- D.3 We based the cost of debt on prevailing lending rates. Prior to allowing for the tax savings that result from the deduction of interest costs from taxable income, it is our understanding that the Company can obtain debt at a rate of prime, 6.70% as at the Valuation Date, plus 3.0% (Schedule 10).
- D.4 When determining WACC, it is assumed that the Company is borrowing the optimal level of debt. We quantified the leverage potential of The Company in order to optimize the use of debt. We considered three constraints that limit the amount of debt: asset coverage, industry leveraging ratio standards and industry interest coverage standards.
- D.5 We also reviewed long-term debt / equity ratios and current ratios for companies operating in similar industries, which are of similar size, as well as any interest coverage restrictions for comparable companies.

Cost of Equity

- D.6 In estimating a reasonable capitalization rate for the Company, we considered general economic and industry conditions, the degree of risk involved, the rate of return on alternative investments, the degree of liquidity of the investment and the time-value of money.
- D.7 We applied the “build up method” as the basis for deriving an appropriate equity capitalization rate, or cost of equity. This method incorporates empirical market evidence, the specific strengths and risks of the Company, and expected long-term growth. The components of the equity discount rate in the build-up method include a long-term risk-free rate, equity risk premium, illiquidity, industry risk, small-company risk and company-specific risk. These components allow the development of an appropriate range of equity discount rates.
- D.8 We have used the following inputs in calculating the cost of equity on Schedule 10.
- Risk-free rate of 3.80% based on U.S. Treasury 20-year bond yields as at the Valuation Date;
 - Equity risk premium of 6.35% based on the Kroll Supply-side Long-term Equity Risk Premium as at the Valuation Date;
 - Small company risk premium of 7.83% based on Kroll’s Decile 10B Size Grouping which includes companies with the market capitalization between \$2.02 million and \$123.80 million as at the Valuation Date;

- Company-specific risk represents those risks that are unrelated to the specific industry, not related to size and are unique to the company when compared to their peer group. Company specific risk is determined by consideration of these various, generally qualitative factors. A business valuator utilizes judgement and experience in translating these specific risk issues to a quantitative amount. Based on our considerations of the Company, we applied a company-specific risk range of 8.00% to 12.00%; and,
- Industry risk premium of 0.83% based on the Kroll Industry Risk Premium as at the Valuation Date for GICS Code 40203020 – Investment Banking and Brokerages.

D.9 Based on the above inputs, we have estimated the cost of equity as at the Valuation Date to be 26.81% to 30.81% (Schedule 10).

Capitalization Rate Conclusion

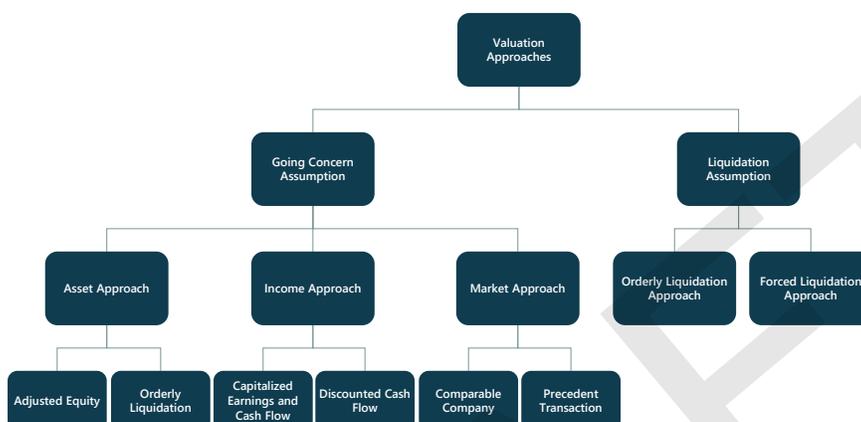
- D.10 The WACC provides a return to both debt and equity holders. We have estimated the Company's cost of debt to be 9.70%, being approximately 8.63% after considering the tax deductibility of the interest expense. We estimated the discount rate (Equity rate of return) for the Company to be between 26.81% and 30.81%. In our view, the appropriate WACC for the Company ranges between 26.81% and 30.81% (Schedule 10).
- D.11 We have deducted the estimated growth factor of 2.0% from the WACC rate to determine the capitalization rate. The capitalization rate being applied to the Capitalized Cash Flow approach is between 24.81% and 28.81% (Schedule 10).
- D.12 To the extent that the Company generates revenues and incurs expenses relatively evenly throughout the fiscal year, it is common practice in business valuations to apply mid-year discounting. Without the adjustment for mid-year discounting, there is an implicit assumption that the Company receives its annual cash flows at the end of the fiscal year.
- D.13 We would expect the Company to earn and incur revenues and expenses, respectively, throughout the fiscal year as opposed to the end of the fiscal year.
- D.14 When we apply mid-year discounting to the capitalization multiples using the below formula, where "WACC" represents the Company's weighted average cost of capital, and "g" represents the Company's expected long-term growth rate: $(1 / (WACC - g)) * (1 + WACC) ^ 0.5$, the capitalization multiple is 4.0x to 4.5x (Schedule 10).

Appendix E
Valuation Methodologies

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Valuation Methodologies

- E.1 There are two basic approaches to determining the en bloc FMV of an equity interest in a business enterprise:
- A going concern approach; or,
 - A liquidation approach.
- E.2 A general summary of valuation approaches and techniques are summarized as follows:



- E.3 A brief overview of the valuation techniques identified above is as follows:

Going Concern Approaches

- E.4 A going concern approach assumes a continuing business enterprise with the potential for economic future earnings.
- E.5 Where a business has commercial value as a going concern, the three generally accepted techniques to determine FMV are:

The Income / Cash Flow Technique

- E.6 Income based techniques are generally used in cases where the value of the business is primarily derived from the income or cash flow that the assets can generate. Employing such a technique, a sustainable level of business income or cash flow is capitalized at a rate or rates of return considered appropriate given the risks associated with the income or cash flow. Alternatively, when forecast earnings or cash flows are not expected to be consistent over time or when the cash generating life of the business is likely limited to a finite period of time, the discounted cash flow technique may be appropriate. Following the discounted cash flow technique, forecast business cash flows together with an estimate of the residual value of the business are discounted to present value at an appropriate rate(s) of return.

The Market Technique

- E.7 It is generally accepted that market transactions can provide the best indication of value. Therefore, a valuation based on truly comparable transactions or publicly traded companies is likely to provide the most accurate results. The difficulty with market based techniques is that their reliability diminishes as the operations and/or assets of the business being compared diverges from the operations and/or assets being valued. It is also difficult, at times, to obtain the information necessary to become sufficiently familiar with potentially comparable transactions as details of transactions are often not

disclosed nor is the rationale and motivation fully known including the extent of synergy or strategic advantage implied in prices paid.

Asset Based Technique

- E.8 Asset based techniques are generally used in cases where the value of the business relates directly to the value of each of the assets of the business net of liabilities and obligations. The most common examples where an asset based technique is employed is in the valuation of real estate or investment holding companies. Asset based techniques are also commonly used in situations where it is assumed that the business, while currently not providing an adequate return on the assets employed, can reasonably be expected to do so in an appropriate time frame. Asset based techniques can also be used in the case of a new, or relatively new business venture where it is not expected the business will reach a profitable state in the near future, but the cost to acquire an alternative similar, profitable business justifies such an investment.

Liquidation Approaches

- E.9 A liquidation approach would be used if the subject entity is not viable as a going concern, or if the return on the assets on a going concern basis is not adequate.
- E.10 Where the subject entity does not have commercial value as a going concern, two generally accepted techniques to determining FMV are:

Orderly Liquidation

- E.11 This value is the net realizable value of the target entity on an orderly disposition made in a manner that would minimize the loss and/or taxes thereon.

Forced Liquidation

- E.12 This value is the net realizable value of the target entity assuming a "fire sale" disposition. A forced liquidation assumes the absence of a dedicated effort over time to minimize the loss and/or taxes thereon.

Combination of Approaches

- E.13 In some circumstances a composite figure is determined (based upon two or three of the valuation approaches outlined above under the Going-Concern Premise) where the values calculated under each approach are weighted. While there is no precise formula for determining the relative weights to be assigned to the respective values arrived at under each of the three approaches, the results are usually weighted according to the reliability, relevance and significance of each, if and when such weighted approach is considered appropriate.

Appendix F
Glossary of Technical Valuation and Financial Terms

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Glossary of Technical Valuation and Financial Terms

For purposes of our Report, as applicable, we have defined the undernoted valuation and financial terms as follows:

F.1 Capitalization Rate

The required rate of return (usually expressed as a percentage) that is used to convert income/cash flow into value.

F.2 Cash Flow

Net after-tax earnings, plus non-cash charges (e.g., depreciation and amortization).

F.3 Current Assets

Cash and other assets that are expected to be converted into cash or to be used in the operation of the business typically within one year or within the normal operating cycle, where that is longer than one year. Current Assets are usually listed in the order of their probable liquidity, or their expected conversion into cash.

F.4 Current Liabilities

Short-term debts, including any liability accrued and deferred and unearned revenue that are to be paid out of Current Assets or are to be transferred to income within a relatively short period, usually one year or less, or a period greater than a year equivalent to the business cycle of the enterprise.

F.5 Current Ratio

The ratio of current assets to current liabilities. It measures a firm's liquidity, i.e., the extent to which the claims of short-term creditors are covered by assets that are expected to be converted to cash in a period roughly corresponding to the maturity of claims. The composition and quality of current assets is a critical factor in the analysis of an individual firm's liquidity. Generally, the higher the Current Ratio, the greater the 'cushion' existing between current obligations and a firm's ability to pay them. A strong Current Ratio reflects a numerical superiority of current assets over current liabilities. Also referred to as 'Working Capital ratio'.

F.6 Discretionary Cash Flow

Indicated, or maintainable, after-tax operating cash flow net of Sustaining Capital Reinvestment, available for payment of dividends, capital expansion, debt reduction, retention as a Redundant Asset, or a combination thereof.

F.7 Discount Rate

A rate of return used to convert a future monetary sum into present value.

F.8 EBITDA

Earnings before interest, taxes, depreciation and amortization. This is a debt-free Cash Flow measure of the funds generated by a business which are available to fund a company's capital investment program and to make payments (interest, dividends and principal repayments) to its providers of capital.

F.9 Enterprise Value

The market value of equity plus the market value of all interest-bearing debt (short- and long-term) and the market value of any outstanding preferred shares, less cash, cash equivalents and the value of certain income tax benefits (Tax Shield, investment tax credit carryforwards, unused scientific research and experimental development deductions and loss carryforwards).

F.10 Equity Risk Premium

A Rate of Return added to a Risk-Free Rate to reflect the additional risk of equity instruments over risk-free instruments (a component of the cost of equity capital or equity discount rate).

F.11 Fair Market Value ("FMV")

The highest price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

F.12 Going-Concern Value

The present value of all future benefits expected to accrue from ownership of an enterprise, or an interest therein, where a business is expected to continue to operate either for a finite period or indefinitely into the future.

F.13 Goodwill

That intangible asset arising as a result of name, reputation, customer loyalty, location, products, and similar factors not separately identified.

F.14 Guideline Companies

Companies that provide a reasonable basis for comparison to the relative investment characteristics of the entity being valued; they ideally operate in the same industry as the subject business.

F.15 Invested Capital

The sum of equity and debt in a business enterprise. Debt is typically (a) all interest-bearing debt or (b) long-term interest-bearing debt.

F.16 Invested Capital Net Cash Flow

Those cash flows available to be paid to equity holders (in the form of dividends) and debt investors (in the form of principal and interest) after funding operations of the business enterprise and making necessary capital investments.

F.17 Liquidity

The relative ease of converting non-cash assets into cash.

F.18 Marketability

The relative ease and certainty with which an expected value can be obtained for a business, business ownership interest or security in its typical market, when desired, and the relative promptness with which the business interest or security can be converted into cash or into a replacement asset.

F.19 Net Cash Flow

Indicated, or maintainable, after-tax Operating Cash Flow, net of Sustaining Capital Reinvestment, available for payment of dividends, capital expansion, debt reduction, retention as a Redundant Asset, or a combination thereof. Also referred to as "discretionary cash flow" or "free cash flow".

F.20 Operating Cash Flow

After-tax earnings from operations, before extraordinary items, adding back certain non-cash charges such as depreciation and amortization. Also referred to as 'gross' cash flow. (See also Net Cash Flow.)

F.21 Redundant Assets

Assets unrelated to a company's primary operations, including non-business assets and unrelated business assets, net of related liabilities, if any; assets in excess of those required to operate the business and which could be withdrawn from the company without impairing the operating ability of the business.

F.22 Risk-Free Rate

The Rate of Return available in the market on an investment free of default risk.

F.23 Risk Premium

A Rate of Return added to a Risk-Free Rate to reflect risk.

F.24 Special Purchasers

Purchasers who can, or believe they can, for one or more business reasons, enjoy post-acquisition economies of scale (or synergies) and/or strategic advantages by combining the acquired business interest with their own. Generally, such purchasers would be willing to pay a higher price for the business, the shares and/or certain assets of a company than would ordinary purchasers.

F.25 Sustaining Capital Reinvestment

The component of annual cash flow which must be reinvested in fixed assets to maintain or sustain the business at existing levels. It does not include reinvestment for growth or expansion.

F.26 Tangible Asset Backing

The amount equal to the aggregate value of all tangible and identifiable assets, where the latter have values that can be separately determined, and where the value of both tangible and intangible assets have been determined under the going-concern assumption, minus all liabilities.

F.27 Tax Shield

The present value of the future reduction of the income taxes that would otherwise be payable as a result of capital cost allowance claims available to be offset against income/cash flow otherwise subject to income taxes.

F.28 Valuation Ratio

A fraction in which a value or price serves as the numerator and financial, operating, or physical data serves as the denominator.



DRAFT



Wherever business takes you

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LIONHART CAPITAL LTD.
Balance Sheet As at Feb 28, 2019

This is Exhibit "B" to the Affidavit of
 Jessa Shapka, sworn this 21st day of June, 2023

ASSET

CURRENT ASSETS

ATB-Treasury Branch	6,684.46	
TD Chequing	8,305.26	
Cash: Total		14,989.72
Commissions Advanced		28,182.31
Advances Payroll		539.32
Lionhart Insurance - Receivable		2,956.63
Spherical - Receivable		-329,537.84
Due To/From Geraco		16,364.44
Home Seek - Receivable		958.74
Accounts Receivable - unlinked		6,010.00
Accounts Receivable		33,253.18
Income Taxes Recoverable	919.00	
Leasees' Receivable: Total		919.00
Prepaid Expenses		16,335.57
TOTAL CURRENT ASSETS		-209,028.93

FIXED ASSETS

Furniture & Equipment	12,076.88	
Accum Deprcn - Furn. & Equip.	-11,798.53	
Furniture & Equip - NET:		278.35
Computer Equipment	60,286.56	
Accum Deprcn - Computer	-44,782.85	
Computer Equipment - NET:		15,503.71
ArtWork		467.28
Vehicle	29,245.28	
Accum Depr-Vehicle	-25,067.32	
Vehicle- NET:		4,177.96
TOTAL FIXED ASSETS		20,427.30

TOTAL ASSET -188,601.63

LIABILITY

CURRENT LIABILITIES

Shareholder - Loan		35,796.52
CIBC Bizline Visa		41,000.00
CIBC Aventura MC/4259		33,463.41
CIBC Dividend Visa 1684		-69.23
Visa - Royal 3073/3065		3,889.28
Visa - RBC 0894/0902		2,997.82
TD Visa #9576		-18,000.00
TD LOC		-34,785.11
RBC LOC		87,917.67
MBNA 8057		30,857.00
MBNA #6442		-0.04
MBNA #7397		34,840.34
MBNA Alaska #9091		-2.99
Loan to LCL - G Bevan		1,267.42
Loan to LCL from SCI		189,603.94
Loan to LCL from Do Bytes		12,952.81
EI Payable	875.61	
CPP Payable	1,205.60	
Income Taxes	3,795.82	
Payroll Adj prev years	405.16	
Receiver General Payable		6,282.19
Vacation Earned		-334.00
Accounts Payable		43,724.89
AP Clearing Acct		-1,698.00
Accrued Commissions Payable		13,738.05
Accrued Liabilities		3,146.44
Deposits Payable to Funder		9,001.39


 A Commissioner for Oaths in and for
 the Province of Alberta

BRENDA LEWICKI
 A Commissioner for Oaths
 in and for Alberta
 Expires: Feb. 12, 20 26

LIONHART CAPITAL LTD.**Balance Sheet As at Feb 28, 2019**

Federal Corporation Taxes		-3,426.51
Provincial Corporation Taxes		694.00
GST Payable/(Receivable)	62,543.72	
GST Collected	-734.22	
GST Paid	-214.44	
GST Owing(Refund)		61,595.06
Ontario HST collected		1,650.00
TOTAL CURRENT LIABILITIES		<u>556,102.35</u>
TOTAL LIABILITY		<u>556,102.35</u>
EQUITY		
EARNINGS		
Share Capital		100.00
Dividends		-110,000.00
Retained Earnings		-665,953.38
Current Earnings		31,149.40
TOTAL EARNINGS		<u>-744,703.98</u>
TOTAL EQUITY		<u>-744,703.98</u>
LIABILITIES AND EQUITY		<u><u>-188,601.63</u></u>

LIONHART CAPITAL LTD.
Balance Sheet As at Feb 29, 2020

ASSET**CURRENT ASSETS**

ATB-Treasury Branch	41,635.45	
TD Chequing	48,175.85	
Cash: Total		89,811.30
Commissions Advanced		27,077.17
Lionhart Insurance - Receivable		2,956.63
Spherical - Receivable		-329,537.84
Due To/From Geraco		16,364.44
Home Seek - Receivable		958.74
Accounts Receivable - unlinked		6,010.00
Accounts Receivable		86,146.21
Income Taxes Recoverable	919.00	
Leasees' Receivable: Total		919.00
Prepaid Expenses		16,335.57
TOTAL CURRENT ASSETS		-82,958.78

FIXED ASSETS

Furniture & Equipment	12,076.88	
Accum Deprcn - Furn. & Equip.	-11,798.53	
Furniture & Equip - NET:		278.35
Computer Equipment	60,286.56	
Accum Deprcn - Computer	-44,782.85	
Computer Equipment - NET:		15,503.71
ArtWork		467.28
Vehicle	29,245.28	
Accum Depr-Vehicle	-25,067.32	
Vehicle- NET:		4,177.96
TOTAL FIXED ASSETS		20,427.30

TOTAL ASSET -62,531.48

LIABILITY**CURRENT LIABILITIES**

Shareholder - Loan		35,796.52
CIBC Bizline Visa		41,000.00
CIBC Aventura MC/4259		30,466.69
CIBC Dividend Visa 1684		-69.23
Visa - Royal 3073/3065		1,711.45
TD Visa #9576		-18,000.00
TD LOC		-34,785.11
RBC LOC		84,917.67
MBNA 8057		28,101.94
MBNA #6442		-0.04
MBNA #7397		32,365.30
MBNA Alaska #9091		-2.99
Loan to LCL - G Bevan		4,267.42
Loan to LCL from SCI		189,603.94
Loan to LCL from Do Bytes		12,952.81
EI Payable	2,823.62	
CPP Payable	5,973.32	
Income Taxes	13,476.25	
Payroll Adj prev years	405.16	
Receiver General Payable		22,678.35
Vacation Earned		-334.00
Accounts Payable		12,282.45
AP Clearing Acct		-1,698.00
Accrued Commissions Payable		13,738.05
Accrued Liabilities		3,146.44
Deposits Payable to Funder		-8,601.07
Federal Corporation Taxes		-3,426.51
Provincial Corporation Taxes		694.00

LIONHART CAPITAL LTD.
Balance Sheet As at Feb 29, 2020

GST Payable/(Receivable)	62,543.72	
GST Collected	33,353.31	
GST Paid	<u>-3,227.91</u>	
GST Owing(Refund)		92,669.12
Ontario HST collected		<u>1,650.00</u>
TOTAL CURRENT LIABILITIES		<u>541,125.20</u>
TOTAL LIABILITY		<u>541,125.20</u>
EQUITY		
EARNINGS		
Share Capital		100.00
Dividends		-110,000.00
Retained Earnings		-634,803.98
Current Earnings		<u>141,047.30</u>
TOTAL EARNINGS		<u>-603,656.68</u>
TOTAL EQUITY		<u>-603,656.68</u>
LIABILITIES AND EQUITY		<u><u>-62,531.48</u></u>

Lionhart Capital Ltd.

Balance Sheet

As of February 28, 2021

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
10600 ATB-Treasury Branch	35,899.54
10650 TD Chequing	4,880.58
10690 Paid by Shareholder	0.00
Total Cash and Cash Equivalent	\$40,780.12
Accounts Receivable (A/R)	
12010 Accounts Receivable	
	100,415.56
Total Accounts Receivable (A/R)	\$100,415.56
11600 Commissions Advanced	
	27,077.17
11930 Lionhart Insurance - Receivable	
	2,956.63
11960 Home Seek - Receivable	
	958.74
15000 Prepaid Expenses	
	16,335.57
Artwork	
	467.28
Total Current Assets	\$188,991.07
Non-current Assets	
Property, plant and equipment	
19110 Net - Computer Equipment	
19120 Computer Equipment	60,286.56
19130 Accum Dep - Computer	-44,782.85
Total 19110 Net - Computer Equipment	15,503.71
19210 Net - Furniture & Equipment	
19220 Furniture & Equipment	12,076.88
19230 Accum Dep - Furn. & Equip.	-11,798.53
Total 19210 Net - Furniture & Equipment	278.35
19310 Net - Vehicle	
19320 Vehicle	29,245.28
19330 Accum Dep-Vehicle	-25,067.32
Total 19310 Net - Vehicle	4,177.96
Total Property, plant and equipment	\$19,960.02
Total Non Current Assets	\$19,960.02
Total Assets	\$208,951.09
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
22000 Accounts Payable	13,863.71
Total Accounts Payable (A/P)	\$13,863.71
Credit Card	
20240 CIBC Bizline Visa inactive	
	0.00
20241 CIBC Aventura MC 4259	
	18,760.39
20245 CIBC Dividend Visa 1684 inactive	
	-2,349.31
20250 Visa - RBC 3073/3065	
	2,090.41
20255 Visa - RBC 0894/0902	
	257.20

Lionhart Capital Ltd.

Balance Sheet

As of February 28, 2021

	TOTAL
20257 TD Visa 9576	0.00
20260 TD LOC 3202476	-695.11
20265 TD LOC 3254336	20,000.00
20268 TD CEBA Loan	60,000.00
20280 RBC LOC	0.00
20285 MBNA 8057 inactive	-143.00
20291 MBNA 7397	31,195.39
20292 MBNA Alaska 9091 inactive	-2.99
Total Credit Card	\$129,112.98
20400 Loan to LCL from G Bevan	4,267.42
20450 Loan to LCL from SCI	189,603.94
20470 Loan to LCL from Do Bytes	12,952.81
20970 EI Payable	2,823.62
20980 CPP Payable	5,973.32
20990 Income Taxes Payable	12,308.42
20995 Payroll Adj prev years	405.16
21500 Vacation Earned	-334.00
22010 AP Clearing Acct	-1,698.00
22015 Accrued Commissions Payable	13,738.05
22100 Accrued Liabilities	3,146.44
24000 Deposits Payable to Funder	-11,906.08
25000 Corporate Income Taxes	-2,732.51
26300 GST Installments	-9,457.48
26500 GST Collected	33,353.31
26700 GST Paid	-3,227.91
GST/HST Payable	5,284.34
GST/HST Suspense	72,957.23
Total Current Liabilities	\$470,434.77
Non-current Liabilities	
11940 Due To/From Spherical	238,722.83
11950 Due To/From Geraco	-16,364.44
20200 Shareholder Loan	-2,161.88
Total Non-current Liabilities	\$220,196.51
Total Liabilities	\$690,631.28
Equity	
30200 Share Capital	100.00
30300 Dividends	-110,000.00
Retained Earnings	-462,997.00
Profit for the year	91,216.81
Total Equity	\$ -481,680.19
Total Liabilities and Equity	\$208,951.09

LIONHART CAPITAL LTD.
Income Statement Mar 01, 2018 to Feb 28, 2019

REVENUE**REVENUE**

Ends Fee	45,125.64
Documentation Fees	118,931.60
Insurance	1,291.89
Bonus Income	4,482.00
Brokerage Refund/Adjust	-2,935.00
Brokerage Fees	422,523.54
TOTAL REVENUE	<u>589,419.67</u>

TOTAL REVENUE 589,419.67

EXPENSE**Operating Expenses**

Advertising & Promotion	6,051.73
Bank & Service Charges	3,175.30
credit card sales service charge	1,673.54
Bookkeeping Fees	21,840.00
Broker Agent Comm	956.20
Bad Debt	400.00
Company Meetings	150.00
CFLA Conf	2,059.39
Total Conf	<u>2,059.39</u>
Computer Repairs & Access.	24,332.10
Courier/Freight	246.27
Gifts	2,648.38
Insurance	676.87
Loan Interest	3,438.63
Meals & Entertainment	4,927.66
Meals - Disallowed Portion of GST	5,206.22
Misc.	44,750.05
Memberships	2,504.67
Penalties/Interest	1,483.82
Office Supplies	6,743.43
Call Centre Supplies	263.91
Call Centre Insurance	1,475.00
Call Centre Staff expense	131.75
Office Setup/Maintenance	1,919.18
Total LCL Office	<u>3,789.84</u>
Parking	489.97
Postage	224.60
Professional Fees	5,000.00
Payments to Geraco	3,000.00
Registration / Searches Fees	12,958.55
Referral Fees	3,931.43
Employee - BDM	86,665.49
Sub-Contracts - BDM	87,918.17
Telephone LCL	2,325.86
Telephones - Cellular	1,724.31
Cell - Active	8,997.29
Total Cell	<u>8,997.29</u>
Trade Shows	134.83
Training	128.49
Travel	5,087.23
Vehicle Expenses	6,279.36
Vehicle Allowance	13,000.00
Office Salaries	151,446.46
Company EI Expense	5,193.82
Company CPP Expense	10,318.10
Company Payroll Expense	<u>15,511.92</u>
Payroll Adjustments	584.39
Medical plan benefits	15,807.82
Total Operating Expenses	<u>558,270.27</u>

LIONHART CAPITAL LTD.**Income Statement Mar 01, 2018 to Feb 28, 2019**

TOTAL EXPENSE	<u>558,270.27</u>
NET INCOME	<u><u>31,149.40</u></u>

LIONHART CAPITAL LTD.
Income Statement Mar 01, 2019 to Feb 29, 2020

REVENUE**REVENUE**

Ends Fee	34,745.90
Documentation Fees (Note 1)	400.00
Processing Fee	53,818.54
Insurance	3,229.12
Appraisals	1,316.67
Bonus Income	11,817.00
Brokerage Fees (Note 2)	221,827.50
Referral Fees	1,375.00

TOTAL REVENUE 328,529.73

TOTAL REVENUE 328,529.73

EXPENSE**Operating Expenses**

Advertising & Promotion	1,147.44
Bank & Service Charges	846.01
credit card sales service charge	-108.17
Bookkeeping Fees	6,750.00
Broker Agent Comm	8,524.36
CFLA Conf	-708.15
Total Conf	-708.15
Computer Repairs & Access.	3,525.79
Courier/Freight	199.37
Gifts	345.61
Loan Interest	1,273.18
Meals & Entertainment	920.47
Meals - Disallowed Portion of GST	970.16
Memberships	352.60
Penalties/Interest	661.38
Office Supplies	5,939.83
Call Centre Rent	2,416.26
Call Centre Supplies	320.86
Call Centre Communication	594.66
Call Centre Staff expense	10,363.44
Office Setup/Maintenance	658.40
Total LCL Office	14,353.62
Parking	33.34
Postage	61.04
Registration / Searches Fees	3,436.38
Referral Fees	2,625.00
Employee - BDM	27,768.90
Sub-Contracts - BDM	14,501.65
Telephone LCL	261.39
Telephones - Cellular	1,770.25
Cell - Active	1,130.83
Total Cell	1,130.83
Training	39.96
Travel	1,757.92
Vehicle Expenses	1,487.96
Vehicle Allowance	5,000.00
Office Salaries	72,325.56
Company EI Expense	2,383.47
Company CPP Expense	4,931.32
Company Payroll Expense	7,314.79
Medical plan benefits	2,973.96

Total Operating Expenses 187,482.43

TOTAL EXPENSE 187,482.43

NET INCOME 141,047.30

LIONHART CAPITAL LTD.**Income Statement Mar 01, 2019 to Feb 29, 2020****Note 1: Documentation Fees****Note 2: Brokerage Fees**

WS Leasing	\$1680.86
Westana	\$9500.00
Summit	\$-2433.00
Equirex	\$9722.44
Coast	\$1239.40



**ALBERTA CORPORATE INCOME TAX RETURN - AT1
FOR 2004 AND SUBSEQUENT TAXATION YEARS**

The Alberta Corporate Tax Act

The AT1 and applicable schedules must be received by Tax and Revenue Administration (TRA) within 6 months of the corporation's taxation year end. Refer to form AT100 to determine if the corporation is exempt from filing. If the corporation is not exempt from filing and its gross revenue exceeds \$1 million, the corporation must file electronically using net file unless it is an insurance corporation, a non-resident corporation, or reports in functional currency.

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

Legal Name of Corporation
010 Lionhart Capital Ltd.

Operating Name of Corporation
011 _____

Mailing Address of Business
012 1022-240 70 Shawville Blvd SE

013 _____

City/Town
014 Calgary

Prov./ State Country Code (other than Canada) Postal or Zip Code
015 AB 016 _____ 017 T2Y2Z3

Alberta Corporate Account Number (CAN)
(Enter the 9 or 10 digit account number)
034 2 0 4 2 5 0 2 2 9

Federal Business Number (BN)
035 122235872 RC0001

Taxation Year Beginning
YYYY MM DD
036 2 0 2 1 0 3 0 1

Taxation Year Ending
YYYY MM DD
037 2 0 2 2 0 2 2 8

Has the taxation year end changed since the last return was filed?
038 1 Yes 2 No

If "Yes", specify the reason
039 1 Canada Revenue Agency (CRA) approved tax year end change
2 Change in control
3 Final return

*All address changes should be done via TRACS or contacting TRA.
**The address will not be updated unless it is a first time filer.
Name of the person to contact to discuss this return
025 Gerry Bevan

Area Code Telephone number:
026 (403) 850-0076

State the functional currency used, if other than Canadian:
041 1 United States of America 2 United Kingdom
3 European Monetary Union 4 Australia

If field 041 is checked, provide average exchange rate for calculation:
(functional currency converting to Canadian currency)
043 _____

Nature of Business
SIC Code
028 9 9 1 1

Type of Corporation
029 1 Canadian-controlled private corporation throughout the year (excluding Alberta professional)
2 Alberta Professional
3 Other private
4 Public
5 Other, specify: _____

Gross Revenue (To nearest thousand)
047 _____ 229,852

Special Corporation Status (if applicable) 030 1 Investment Corporation
2 Mutual Fund Corporation
3 Co-operative
4 Credit Union
5 Corporations exempt under the federal ITA section 149

Total Assets (Book value per balance sheet, to nearest thousand)
048 _____ 123,598

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 2 No

Is this a final return? 050 1 Yes 2 No

Is this the first year of filing after an amalgamation? 032 1 Yes 2 No

If "Yes", specify the reason
051 1 Amalgamation, specify date of amalgamation:
YYYY MM DD
052 _____

2 Discontinuance of permanent establishment in Alberta
3 Bankruptcy
4 Wind-up into parent
5 Dissolution of corporation, specify date operations ceased:
YYYY MM DD
053 _____

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 2 No

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

Show negative amounts in brackets ().

CAN: 204250229

Taxation Year Ending 2,0,2,2|0,2,2,8

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).

• 060 Yes No
 • 061 Yes No

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?

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, line 090

(If line 062 is negative, complete Schedule 10 to request a loss carry-back, if applicable) • 062 (40,263)

Alberta Allocation Factor (Schedule 2, column I) • 065 1.000000

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

(* if the corporation has permanent establishments only in Alberta, multiply by "1") • 066

Basic Alberta Tax Payable Number of days in taxation year:

	Tax rate	No. of days	
On or after July 1, 2015	0.120	x	=
On or after July 1, 2019	0.110	x	=
On or after January 1, 2020	0.100	x	=
On or after July 1, 2020	0.080	x	365 = 29.20000
			29.20000 / 365 = 0.08000

Total (line 066 * Basic Alberta tax rate) • 068

Alberta Small Business Deduction

Schedule 1, line 031 • 070

Alberta Foreign Investment Income Tax Credit

Schedule 4, line 020 • 072

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

..... • 076

Total (lines 070 + 072 + 076) • 079

Alberta Tax Payable (lines 068 - line 079) • 080

Alberta Scientific Research & Experimental Development Tax Credit,

Schedule 9, line 120 (note: eliminated effective Jan.1 2020) • 081

Innovation Employment Grant

Schedule 29, line 134 • 129

Instalments, other payments and ARTC instalments credited to income tax account for this taxation year (see Guide)

..... • 082

Interactive Digital Media Tax Credit (IDMTC) • 085

Tax Certificate Number

(issued at time of IDMTC approval) • 110

Alberta Capital Gains Refund (available only to mutual fund corporations and public investment corporations, see Guide)

..... • 086

Other Credits: (specify and attach the appropriate schedule(s)) • 087

Total (lines 081 + 129 + 082 + 085 + 086 + 087) • 088

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. See Guide.) • 090

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** • 091

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 • 092

Was this return prepared by a tax preparer for a fee? • 095 Yes No

• 096 If yes, provide the preparer's name or firm name: Panorama CPA Professional Corporation

CERTIFICATION

I, 097 Bevan 098 Gerry 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

2,0,2,3|0,3,1,2
 Date YYYY MM DD

AT1 Net File Worksheet

^ AT1 Net File restrictions

Does the following Net File restriction apply to the Corporation's AT1 return?

No This return is eligible for AT1 Net File but you choose not to.
(You may be subject to fines if more than 10 returns are paper filed)

^ AT1 EDI schedule

This schedule must be completed to net file an AT1 return.

017 Are you a Third Party Service Provider (TPSP)? Yes No
 If Yes, complete all the lines below.
 If no, complete only lines from 031 through 041 under **Contact information**.

Third party service provider (TPSP)

019 Legal name _____
 021 Operating name (optional) _____
 023 Type None _____
 051 Address line 1 _____
 053 Address line 2 (optional) _____
 055 City/Town _____
 057 Province, Territory / State _____
 059 Postal code or zip code _____
 061 Country _____

Contact information (if TPSP, provide TPSP contact person information)

031 First name Gerry _____
 033 Last name Bevan _____
 035 Position Director _____
 037 Telephone number (403) 850-0076 _____
 039 Fax number (Optional) _____
 041 E-mail accounting@lionhartcapit _____

^ AT1 Net File Electronic Transmission Results

Date/Time	Code	Explanation



Panorama CPA Professional Corporation

1034 Blizzard Rd
Mississauga, ON L5V 1T2
(647) 702-2060
Ali_CPA@outlook.com

March 11, 2023

Lionhart Capital Ltd.
1022-240 70 Shawville Blvd SE
Calgary AB T2Y 2Z3

Dear Gerry Bevan,

We have prepared the corporation income tax return for Lionhart Capital Ltd. for the taxation year ending on February 28, 2022. Enclosed is a copy of T2 return for your review.

The federal T2 tax return has no refund or balance owing.

We will transmit your T2 return electronically to Canada Revenue Agency (CRA) using the Corporate Internet Filing system when you sign the T183Corp form and return it to us. Your return must be transmitted on or before August 31, 2022.

No foreign property

We confirm that the corporation did not hold foreign property at any time in the tax year ending February 28, 2022 with a cost greater than \$100,000 CAD. If you do hold foreign property with a cost greater than \$100,000 CAD, please notify us immediately, for failure to disclose this information could result in a penalty.

The Alberta AT1 income tax return was exempt from filing. There is no balance owing or refund.

If you have any questions about your income tax returns, please call us (647) 702-2060 or email us at Ali_CPA@outlook.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ali".

Ali Akbar, CPA
Panorama CPA Professional Corporation



Information Return for Corporations Filing Electronically

- Do not send this form to the Canada Revenue Agency (CRA) unless we ask for it. We will not keep or return this form.
- Complete this return for every initial and amended T2 Corporation Income Tax Return electronically filed with the CRA on your behalf.
- By completing Part 2 and signing Part 3, you acknowledge that, under the federal Income Tax Act, you have to keep all records used to prepare your T2 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 T2 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.
- We are responsible for ensuring the confidentiality of your electronically filed tax information only after we have accepted your return.

Part 1 – Identification

Corporation's name Lionhart Capital Ltd.						Business number 1 2 2 2 3 5 8 7 2 R C 0 0 0 1							
Tax year start	Year	Month	Day	Tax year-end	Year	Month	Day	Is this an amended return?				<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	2 0 2 1	0 3	0 1		2 0 2 2	0 2	2 8						

Get your CRA mail electronically delivered in My Business Account at canada.ca/my-cra-business-account (optional)

Email address: _____

I understand that by providing an email address, I am **registering** the corporation to receive email notifications from the CRA. 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. For more information, see canada.ca/cra-business-email-notifications.

Part 2 – Declaration

Enter the following amounts, if applicable, from the T2 return for the tax year noted above:

Net income or loss for income tax purposes from Schedule 1, financial statements, or General Index of Financial Information (GIFI) (line 300)	(40,263)
Part I tax payable (line 700)	_____
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)	_____

Protected B when completed**Part 3 – Certification and authorization**

I, Bevan Last name Gerry First name Director Position, office, or rank

am an authorized signing officer of the corporation. I certify that I have examined the T2 Corporation 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 T2 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.

2023/03/11

Date (yyyy/mm/dd)



Signature of an authorized signing officer of the corporation

(403) 850-0076

Telephone number

The CRA will accept an electronic signature if it is applied in accordance with the guidance specified by the CRA.

Part 4 – Transmitter identification

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

Panorama CPA Professional Corporation

Name of person or firm

X4502

Electronic filer number

Privacy notice

Personal information is collected for the purposes of the administration or enforcement of the Income Tax Act and related programs and activities including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to 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 a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 and CRA PPU 211 on Info Source at canada.ca/cra-info-source.



Canada Revenue Agency / Agence du revenu du Canada

T2 Corporation Income Tax Return

200

Code 2102

Protected B when completed

055 Do not use this area

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec or Alberta.

All legislative references on this return are to the federal Income Tax Act and Income Tax Regulations.

Send one completed copy of this return, including schedules and the General Index of Financial Information (GIFI), to your tax centre.

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

Identification

Business Number (BN) 001 122235872 RC0001

Corporation's name 002 Lionhart Capital Ltd.

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

011 1022-240 70 Shawville Blvd SE 012 City Province, territory, or state 015 Calgary 016 AB 017 Country (other than Canada) 018 T2Y 2Z3

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

021 c/o 022 1022-240 70 Shawville Blvd SE 023 City Province, territory, or state 025 Calgary 026 AB 027 Country (other than Canada) 028 T2Y 2Z3

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

031 1022-240 70 Shawville Blvd SE 032 City Province, territory, or state 035 Calgary 036 AB 037 Country (other than Canada) 038 T2Y 2Z3

040 Type of corporation at the end of the tax year (tick one) 1 [X] 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

To which tax year does this return apply? Tax year start 060 2 | 0 | 2 | 1 | 0 | 3 | 0 | 1 | Tax year end 061 2 | 0 | 2 | 2 | 0 | 2 | 2 | 8 |

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 [X] If yes, provide the date control was acquired 065

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

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

Is this the first year of filing after: Incorporation? 070 Yes No [X] Amalgamation? 071 Yes No [X] 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 [X] If yes, complete and attach Schedule 24.

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

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

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

Is the corporation a resident of Canada? 080 Yes [X] 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 [X] 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) 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?	150 <input type="checkbox"/>	9
Is the corporation an associated CCPC?	160 <input type="checkbox"/>	23
Is the corporation an associated CCPC that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
Does the corporation have any non-resident shareholders who own voting shares?	151 <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.	162 <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?	163 <input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter?	166 <input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership account number has been assigned?	167 <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)?	168 <input type="checkbox"/>	22
Did the corporation own any shares in one or more foreign affiliates in the tax year?	169 <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 <i>Income Tax Regulations</i> ?	170 <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?	171 <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?	173 <input checked="" type="checkbox"/>	50
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172 <input type="checkbox"/>	---
Does the corporation earn income from one or more Internet webpages or websites?	180 <input type="checkbox"/>	88
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts of cultural or ecological property; or gifts of medicine?	202 <input type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
Is the corporation claiming any type of losses?	204 <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?	205 <input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the tax year?	206 <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)?	207 <input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	208 <input type="checkbox"/>	8
Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
Is the corporation claiming deductible reserves?	213 <input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	216 <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?	217 <input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
Is the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
Is the corporation claiming any federal, provincial, or territorial foreign tax credits, or any federal logging tax credits?	221 <input type="checkbox"/>	21
Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	232 <input type="checkbox"/>	T661
Is the total taxable capital employed in Canada of the corporation and its related corporations over \$10,000,000?	233 <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?	234 <input type="checkbox"/>	-----
Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	242 <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?	243 <input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
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?	250 <input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit?	253 <input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit?	254 <input type="checkbox"/>	T1177
Is the corporation claiming a Canadian journalism labour tax credit?	272 <input type="checkbox"/>	58
Is the corporation subject to Part XIII.1 tax? (Show your calculations on a sheet that you identify as Schedule 92.)	255 <input type="checkbox"/>	92

Attachments (continued)

	Yes	Schedule
Did the corporation have any foreign affiliates in the tax year?	271 <input type="checkbox"/>	T1134
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?	259 <input type="checkbox"/>	T1135
Did the corporation transfer or loan property to a non-resident trust?	260 <input type="checkbox"/>	T1141
Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261 <input type="checkbox"/>	T1142
Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262 <input type="checkbox"/>	T1145
Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263 <input type="checkbox"/>	T1146
Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264 <input type="checkbox"/>	T1174
Did the corporation pay taxable dividends (other than capital gains dividends) in the tax year?	265 <input type="checkbox"/>	55
Has the corporation made an election under subsection 89(11) not to be a CCPC?	266 <input type="checkbox"/>	T2002
Has the corporation revoked any previous election made under subsection 89(11)?	267 <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?	268 <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?	269 <input type="checkbox"/>	54
Is the corporation claiming a return of fuel charge proceeds to farmers tax credit?	273 <input type="checkbox"/>	63
Are you an employer reporting a non-qualified security agreement under subsection 110(1.9)?	274 <input type="checkbox"/>	59
Is the corporation claiming an air quality improvement tax credit?	275 <input type="checkbox"/>	65

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"/>						
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	<table border="0"> <tr> <td>284 Equipment lease financing</td> <td>285 100.000 %</td> </tr> <tr> <td>286 _____</td> <td>287 _____ %</td> </tr> <tr> <td>288 _____</td> <td>289 _____ %</td> </tr> </table>	284 Equipment lease financing	285 100.000 %	286 _____	287 _____ %	288 _____	289 _____ %
284 Equipment lease financing	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 checked="" 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 _____ YYYY MM DD						
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 GIFL	300 (40,263) 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	352 _____
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 _____

* 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)

L	M	N
Business number of the corporation receiving the assigned amount 490	Income paid under clause 125(1)(a)(i)(B) to the corporation identified in column L ³ 500	Business limit assigned to corporation identified in column L ⁴ 505
RC		
Total 510		Total 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 (other than specified farming or fishing income of the corporation for the year) 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 M 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 426.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the tax year

Taxable income from line 360 on page 3.....		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 428 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 line 360 on page 3.....		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	× 30 2/3% =		A
Foreign non-business income tax credit from line 632 on page 8				B
Foreign investment income from Schedule 7	445	× 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 428 on page 4, whichever is the least				G
Foreign non-business income tax credit from line 632 on page 8		× 75/29		H
Foreign business income tax credit from line 636 on page 8		× 4 =		I
Subtotal (add amounts G to I)			▶	J
Subtotal (amount F minus amount J)				K
		× 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				N

450

Refundable dividend tax on hand

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	
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")		Z
ERDTOH at the end of the tax year (total of amounts J, O, and Z minus amount P) (if negative, enter "0")	530	

Dividend refund

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.		

Part I tax

Base amount Part I tax – Taxable income (from line 360 on page 3) multiplied by 38%.....	550	A
Additional tax on personal services business income (section 123.5)		
Taxable income from a personal services business	555 × 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 428 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 including administering tax, benefits, audit, compliance, and collection. The information collected may be used or disclosed for purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to 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 a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 047 on Info Source at canada.ca/cra-info-source.

Summary of tax and credits

Federal tax

Table with 2 columns: Tax item and Amount. Items include Part I tax payable (700), Part III.1 tax payable (710), Part IV tax payable (712), Part IV.1 tax payable (716), Part VI tax payable (720), Part VI.1 tax payable (724), Part XIII.1 tax payable (727), and Part XIV tax payable (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:

Table with 2 columns: Credit item and Amount. Items include Investment tax credit refund (780), Dividend refund (784), Federal capital gains refund (788), Federal qualifying environmental trust tax credit refund (792), Return of fuel charge proceeds (795), Canadian film or video production tax credit (796), Film or video production services tax credit (797), Canadian journalism labour tax credit (798), Small businesses air quality improvement tax credit (799), and Tax withheld at source (800).

Total payments on which tax has been withheld 801

Table with 2 columns: Credit item and Amount. Items include Provincial and territorial capital gains refund (808), Provincial and territorial refundable tax credits (812), and Tax instalments paid (840).

Total credits 890 B

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 below on whichever line applies.

Generally, we do not charge or refund a difference of \$2 or less.

Refund code 894 Refund Balance owing

For information on how to enrol for direct deposit, go to canada.ca/cra-direct-deposit.

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

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 [checked]

If this return was prepared by a tax preparer for a fee, provide their EFILE number 920 X4502

Certification

Certification form with fields for I, 950 Bevan, 951 Gerry, 954 Director, Date (955 202311), Signature, Telephone number (956 (403) 850-0076), and Name (958) Telephone number (959).

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

- 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				Previous Fiscal Year
			<u>(61,386)</u>	A <u>91,216</u>
Add:				
Amortization of tangible assets	104	19,960		
Meals and entertainment expenses, as well as club dues and fees				
Expenses included in the financial statements:				
GIFI account 8523		2,326	1	483
Other GIFI accounts			2	
Total		<u>2,326</u>	3	<u>483</u>
Determination of the non-deductible portion of the total above:				
Club dues and fees			4	
Unreasonable expenses		100 %	5	
Long-haul truck driver		20 %	6	
Fully deductible			7	
Remaining expenses		2,326	50 %	1,163
Total		<u>2,326</u>	9	<u>242</u>
(Enter the amounts from lines 4 and 9 on lines 120 and 121, respectively.)				
Non-deductible meals and entertainment expenses	121	1,163		242
Amount D	199			
Total (lines 101 to 199)	500	<u>21,123</u>		<u>242</u>
Amount A plus line 500			<u>(40,263)</u>	B <u>91,458</u>
Amount E	499			
Total (lines 401 to 499)	510			
Net income (loss) for income tax purposes (amount B minus line 510).....			<u>(40,263)</u>	C <u>91,458</u>
Enter amount C on line 300 on page 3 of the T2 return.				
Total of lines 201 to 249 and line 296				D
Enter amount D on line 199 on page 1.				
Total of lines 300 to 345 and line 396				E
Enter amount E at line 499				



Corporation Loss Continuity and Application

- 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 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			(40,263)	1A
Net capital losses deducted in the year (enter as a positive amount)		1B		
Taxable dividends deductible under section 112 or subsection 113(1) or 138(6)		1C		
Amount of Part VI.1 tax deductible under paragraph 110(1)(k)		1D		
Amount deductible as prospector's and grubstaker's shares – Paragraph 110(1)(d.2)		1E		
Employer deduction in respect of non-qualified securities - Paragraph 110(1)(e)		1F		
Subtotal (total of amounts 1B to 1F)				1G
Subtotal (amount 1A minus amount 1G; if positive, enter "0")			(40,263)	1H
Section 110.5 or subparagraph 115(1)(a)(vii) – Addition for foreign tax deductions				1I
Subtotal (amount 1H minus amount 1I)			(40,263)	1J
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)				1K
Current-year non-capital loss (amount 1J plus amount 1K; if positive, enter "0")			(40,263)	1L
If amount 1L 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	223,739	1M		
Non-capital loss expired (note 1)	100			
Non-capital losses at the beginning of the tax year (amount 1M minus line 100)	223,739		223,739	
Non-capital losses transferred on an amalgamation or on the wind-up of a subsidiary (note 2) corporation	105			
Current-year non-capital loss (from amount 1L)	110	40,263		
Subtotal (line 105 plus line 110)		40,263		1N
Subtotal (line 102 plus amount 1N)			264,002	1O

Note 1: A non-capital loss expires after **20** tax years and an allowable business investment loss becomes a net capital loss after **10** tax years.

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)

Other adjustments (includes adjustments for an acquisition of control)	150	_____	
Section 80 – Adjustments for forgiven amounts	140	_____	
Non-capital losses of previous tax years applied in the current tax year	130	_____	
Enter line 130 on line 331 of the T2 Return.			
Current and previous years non-capital losses applied against current-year taxable dividends subject to Part IV tax (note 3).....	135	_____	
Subtotal (total of lines 150, 140, 130 and 135)		=====	▶ _____ 1P
Non-capital losses before any request for a carryback (amount 1O minus amount 1P)			_____ 264,002 1Q

Request to carry back non-capital loss to:

First previous tax year to reduce taxable income	901	_____	
Second previous tax year to reduce taxable income	902	_____	
Third previous tax year to reduce taxable income	903	_____	
First previous tax year to reduce taxable dividends subject to Part IV tax	911	_____	
Second previous tax year to reduce taxable dividends subject to Part IV tax	912	_____	
Third previous tax year to reduce taxable dividends subject to Part IV tax	913	_____	
Total of requests to carry back non-capital losses to previous tax years (total of lines 901 to 913)		=====	▶ _____ 1R
Closing balance of non-capital losses to be carried forward to future tax years (amount 1Q minus amount 1R)	180	_____	_____ 264,002

Note 3: Line 135 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	_____	
Capital losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	205	_____	
Subtotal (line 200 plus line 205)		=====	▶ _____ 2A
Other adjustments (includes adjustments for an acquisition of control)	250	_____	
Section 80 – Adjustments for forgiven amounts	240	_____	
Subtotal (line 250 plus line 240)		=====	▶ _____ 2B
Subtotal (amount 2A minus amount 2B)			_____ 2C
Current-year capital loss (from the calculation on Schedule 6, Summary of Dispositions of Capital Property)	210	_____	
Unused non-capital losses from the 11th previous tax year (note 4)		_____	2D
Allowable business investment losses (ABILs) that expired as non-capital losses at the end of the previous tax year (note 5)		_____	2E
Enter amount 2D or 2E, whichever is less	215	_____	
ABILs expired as non-capital losses: line 215 multiplied by 2		_____	220
Subtotal (amount 2C plus line 210 plus line 220)		=====	_____ 2F

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.

Note 4: Determine the amount of the loss from the 11th previous tax year and enter the part of that loss that was not deducted in the previous 11 years.

Note 5: Enter the amount of the ABILs from the 11th previous tax year. Enter the full amount on amount 2E.

Part 2 - Capital losses (continued)

Capital losses from previous tax years applied against the current-year net capital gain (note 6)	225	
Capital losses before any request for a carryback (amount 2F minus line 225)		2G
Request to carry back capital loss to (note 7):		
First previous tax year	951	
Second previous tax year	952	
Third previous tax year	953	
Subtotal (total of lines 951 to 953)		2H
Closing balance of capital losses to be carried forward to future tax years (amount 2G minus amount 2H) (note 8)	280	

Note 6: To get the net capital losses required to reduce the taxable capital gain included in the net income (loss) for the current tax year, 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.

Note 8: Capital losses can be carried forward indefinitely.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at the end of the previous tax year		3A
Farm loss expired (note 9)	300	
Farm losses at the beginning of the tax year (amount 3A minus line 300)	302	
Farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	305	
Current-year farm loss (amount 1K in Part 1)	310	
Subtotal (line 305 plus line 310)		3B
Subtotal (line 302 plus amount 3B)		3C
Other adjustments (includes adjustments for an acquisition of control)	350	
Section 80 – Adjustments for forgiven amounts	340	
Farm losses of previous tax years applied in the current tax year	330	
Enter line 330 on line 334 of the T2 Return.		
Current and previous years farm losses applied against current-year taxable dividends subject to Part IV tax (note 10)	335	
Subtotal (total of lines 350, 340, 330 and 335)		3D
Farm losses before any request for a carryback (amount 3C minus amount 3D)		3E

Request to carry back farm loss to:

First previous tax year to reduce taxable income	921	
Second previous tax year to reduce taxable income	922	
Third previous tax year to reduce taxable income	923	
First previous tax year to reduce taxable dividends subject to Part IV tax	931	
Second previous tax year to reduce taxable dividends subject to Part IV tax	932	
Third previous tax year to reduce taxable dividends subject to Part IV tax	933	
Subtotal (total of lines 921 to 933)		3F
Closing balance of farm losses to be carried forward to future tax years (amount 3E minus amount 3F)	380	

Note 9: A farm loss expires after 20 tax years.

Note 10: Line 335 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	_____
(line 485 _____ - \$2,500) divided by 2 =		<u>4A</u>
Amount 4A or \$15,000, whichever is less		4B
		<u>2,500</u> 4C
Subtotal (amount 4B plus amount 4C)	<u>2,500</u>	2,500 4D
Current-year restricted farm loss (line 485 minus amount 4D)		<u>4E</u>

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at the end of the previous tax year		4F
Restricted farm loss expired (note 11)	400	_____
Restricted farm losses at the beginning of the tax year (amount 4F minus line 400)	402	_____
Restricted farm losses transferred on an amalgamation or on the wind-up of a subsidiary corporation	405	_____
Current-year restricted farm loss (from amount 4E)	410	_____
Enter line 410 on line 233 of Schedule 1, Net Income (Loss) for Income Tax Purposes.		
Subtotal (line 405 plus line 410)		4G
Subtotal (line 402 plus amount 4G)		4H
Restricted farm losses from previous tax years applied against current farming income	430	_____
Enter line 430 on line 333 of the T2 return.		
Section 80 – Adjustments for forgiven amounts	440	_____
Other adjustments	450	_____
Subtotal (total of lines 430 to 450)		4I
Restricted farm losses before any request for a carryback (amount 4H minus amount 4I)		4J

Request to carry back restricted farm loss to:

First previous tax year to reduce farming income	941	_____
Second previous tax year to reduce farming income	942	_____
Third previous tax year to reduce farming income	943	_____
Subtotal (total of lines 941 to 943)		4K
Closing balance of restricted farm losses to be carried forward to future tax years (amount 4J minus amount 4K)	480	_____

Note

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

Note 11: A restricted farm loss expires after **20** tax years.

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 5A

Listed personal property loss expired (**note 12**) **500** _____

Listed personal property losses at the beginning of the tax year (amount 5A **minus** line 500) **502** _____ ▶ _____

Current-year listed personal property loss (from Schedule 6) **510** _____

Subtotal (line 502 **plus** line 510) _____ 5B

Listed personal property losses from previous tax years applied against listed personal property gains **530** _____

Enter line 530 on line 655 of Schedule 6.

Other adjustments **550** _____

Subtotal (line 530 **plus** line 550) _____ ▶ _____ 5C

Listed personal property losses remaining before any request for a carryback (amount 5B **minus** amount 5C) _____ 5D

Request to carry back listed personal property loss to:

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

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

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

Subtotal (total of lines 961 to 963) _____ ▶ _____ 5E

Closing balance of listed personal property losses to be carried forward to future tax years (amount 5D **minus** amount 5E) **580** _____

Note 12: A listed personal property loss expires after 7 tax years.

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

Year of origin (note 13)	Non-capital losses (note 14)	Farm losses	Restricted farm losses	Listed personal property losses
2022/02/28	40,263			
2021/02/28				
2020/02/29				
2019/02/28				
2018/02/28				
2017/02/28	223,739			
2016/02/29				
2015/02/28				
2014/02/28				
2013/02/28				
2012/02/29				
2011/02/28				
2010/02/28				
2009/02/28				
2008/02/29				
2007/02/28				
2006/02/28				
2005/02/28				
2004/02/29				
2003/02/28				
2002/02/28				
Total	264,002			

Note 13: Enter each loss by year of origin, starting with the current year and going down to the 20th previous year.

Note 14: A non-capital loss expires after 20 tax years and an allowable business investment loss becomes a net capital loss after 10 tax years

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 6)
600	602	604	606	608		620
RZ						
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 column 3 and 6)
630	632	634	636	638		650
RZ						

Part 7 - Limited partnership losses (continued)

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

Notes

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

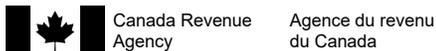
Part 8 - Election under paragraph 88(1.1)(f)

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 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.



Shareholder Information

Schedule 50
Code 0602
Protected B
when completed

- 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 (business number, partnership account number, social insurance number or trust number) per shareholder.

	100	200	200	300	350	400	500
	Name of shareholder (after name, indicate in brackets if the shareholder is a corporation, partnership, individual, or trust)						
	Business number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")						
	Partnership account number (9 digits, 2 letters, and 4 digits. If not registered, enter "NR")						
	Social insurance number (9 digits)						
	Trust number (T followed by 8 digits)						
	Percentage common shares						
	Percentage preferred shares						
1.	Gerry Bevan	RC	RZ	619 787 153	T	100.000	
		RC	RZ		T		



Income Statement Information

Schedule 125
Code 1004
Protected B
when completed

- Use this schedule to report your corporation's income statement information.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.

Lionhart Capital Ltd.

Income statement

For the year ended February 28, 2022

0001 Operating name	0002 Description of the operation	0003 ** Sequence number	
	GIFI item	Current fiscal year	Previous fiscal year
Income			
Sales			
Sales of goods and services	8000	194,065	269,844
Total sales of goods and services	8089	194,065	269,844
Other income			
Subsidies and grants	8242	35,787	48,021
Total income	8299	229,852	317,865
Cost of goods sold			
Opening inventory	8300		
Closing inventory	8500		
	8518		
Gross profit (item 8089 minus item 8518)	8519	194,065	269,844
Expenses			
Advertising and promotion	8520	3,001	15,738
Bank charges	8715	2,989	3,124
Professional fees	8860	14,886	6,812
Computer-related expenses	9150		8,704
Office expenses	8810	(166)	2,600
Interest on short-term debt	8711		2,774
Meals and entertainment	8523	2,326	483
Memberships	8761		4,179
Vehicle expenses	9281	2,819	3,101
Salaries and wages	9060	139,055	118,544
Sub-contracts	9110	95,686	41,371
Telephone and telecommunications	9225	8,242	7,501
Travel expenses	9200	314	406
Office stationery and supplies	8811	2,126	1,876
Consulting fees	8863		5,600
Occupancy costs	8912		3,836
Amortization of tangible assets	8670	19,960	
Total operating expenses	9367	291,238	226,649
Total cost of good sold and expenses	9368	291,238	226,649
Net non-farming income (item 8299 minus item 9368)	9369	(61,386)	91,216
Other comprehensive income			
Total other comprehensive income			
Net income (loss) before taxes and extraordinary items	9970	(61,386)	91,216

Statement compiled based on unaudited financial information.

Extraordinary items

Current income taxes	9990		
Deferred income taxes	9995		
Net income (loss) before comprehensive income		(61,386)	91,216
Total other comprehensive income	9998		
Net income (loss)	9999	(61,386)	91,216

Statement compiled based on unaudited financial information.

**Balance Sheet Information**

- Use this schedule to report the corporation's balance sheet information.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.

Lionhart Capital Ltd.**Balance Sheet****As of February 28, 2022**

Assets	GIFI item	Current fiscal year	Previous fiscal year
Current assets			
Cash and deposits	1000	54,556	40,780
Accounts receivable	1060	69,042	104,331
Prepaid expenses	1484		43,880
Total current assets	1599	123,598	188,991
Fixed assets			
Furniture and fixtures	1787	12,077	12,077
Accumulated amortization of furniture and fixtures	1788	(12,077)	(11,799)
Computer equipment/software	1774	60,287	60,287
Accumulated amortization of computer equipment/software	1775	(60,287)	(44,783)
Motor vehicles	1742	29,245	29,245
Accumulated amortization of motor vehicles	1743	(29,245)	(25,067)
			19,960
Other assets			
Total assets	2599	123,598	208,951
Liabilities			
Current Liabilities			
Due to shareholder(s)/director(s)	2780	721,137	468,053
Credit card loans	2707	56,637	129,113
Loans from Canadian banks	2701	136,079	206,824
Taxes payable	2680	(1,781)	111,218
Amounts payable and accrued liabilities	2620	2,449	23,280
Total current liabilities	3139	914,521	938,488
Long-term Liabilities			
Total liabilities	3499	914,521	938,488
Shareholder equity			
Contributed capital			
Common shares	3500	100	100
Retained earnings (deficit)	3600	(791,023)	(729,637)
Total shareholder equity	3620	(790,923)	(729,537)
Total liabilities and shareholder equity	3640	123,598	208,951
Retained earnings (deficit)			
Opening balance	3660	(729,637)	(820,853)
Net income (loss)	3680	(61,386)	91,216
Closing balance	3849	(791,023)	(729,637)

Statement compiled based on unaudited financial information.



Notes checklist

- Fill out this schedule to identify who prepared or reported on the financial statements, the extent of their involvement and to identify the type of information contained in the notes to the financial statements. If the person preparing the tax return is not the person referred to above, they must still complete Parts 1, 2, 3, 4 and 5, as applicable.
- For more information, see Guide RC4088, General Index of Financial Information (GIFI) and T4012, T2 Corporation – Income Tax Guide.
- Complete this schedule and include it with your T2 return along with the other GIFI schedules.

Part 1 – Information on the person who prepared or reported on the financial statements

Were financial statements prepared? **111** Yes No
 If you answered **no**, go to part 5.

Does the person who prepared or reported on the financial statements have an accounting professional designation? **095** Yes No

Is that person connected* with the corporation? **097** Yes No

Note: If that person does not have an accounting professional designation or is connected with the partnership, go to part 4.

* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.

Part 2 – Type of involvement with the financial statements

Choose the option that represents the highest level of involvement of the person referred to in part 1: **198**

Completed an auditor's report..... 1

Completed a review engagement report..... 2

Conducted a compilation engagement 3

Other 4

Part 3 – Reservations

If you selected option **1** or **2** under **Type of involvement with the financial statements** above, answer the following question:

Has the person referred to in part 1 expressed a reservation? **099** Yes No

Part 4 – Other information

Were notes to the financial statements prepared? **101** Yes No

If **yes**, complete lines 104 to 107 below:

Are subsequent events mentioned in the notes? **104** Yes No

Is re-evaluation of asset information mentioned in the notes? **105** Yes No

Is contingent liability information mentioned in the notes? **106** Yes No

Is information regarding commitments mentioned in the notes? **107** Yes No

Does the corporation have investments in joint venture(s) or partnership(s)? **108** Yes No

Part 4 – Other information (continued)

Impairment and fair value changes

In any of the following assets, was an amount recognized in net income or other comprehensive income (OCI) as a result of an impairment loss in the tax year, a reversal of an impairment loss recognized in a previous tax year, or a change in fair value during the tax year?

200

Yes

No

If **yes**, enter the amount recognized:

In net income
Increase (decrease)

In OCI
Increase (decrease)

Property, plant, and equipment	210	211
Intangible assets	215	216
Investment property	220	
Biological assets	225	
Financial instruments	230	231
Other	235	236

Financial instruments

Did the corporation derecognize any financial instrument(s) during the tax year (other than trade receivables)?.....

250

Yes

No

Did the corporation apply hedge accounting during the tax year?

255

Yes

No

Did the corporation discontinue hedge accounting during the tax year?

260

Yes

No

Adjustments to opening equity

Was an amount included in the opening balance of retained earnings or equity, in order to correct an error, to recognize a change in accounting policy, or to adopt a new accounting standard in the current tax year?

265

Yes

No

If **yes**, you have to maintain a separate reconciliation.

Part 5 – Information on the person who prepared the information return

If the person that prepared the information return has an accounting professional designation but is not the person associated with the financial statements in part 1 above, choose one of the following options, if applicable:

110

Financial statements provided by client

1

Prepared the information return and the financial information contained therein

2

S4 Loss Continuity Worksheet

Non-Capital Losses

A non-capital loss expires as follows:

- after 7 tax years if it arose in a tax year ending before March 23, 2004;
- 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

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Transfer on amalgamation or wind-up	Current year loss	Carryback	Other adjustments	Adjustments for debt forgiveness	Applied	Applied to Part IV tax	Ending bal.	Expiring if not used this year
2022/02/28					40,263						40,263	
2021/02/28												
2020/02/29												
2019/02/28												
2018/02/28												
2017/02/28	223,739		223,739								223,739	
2016/02/29												
2015/02/28												
2014/02/28												
2013/02/28												
2012/02/29												
2011/02/28												
2010/02/28												
2009/02/28												
2008/02/29												
2007/02/28												
2006/02/28												
2005/02/28												
2004/02/29												
2003/02/28												
2002/02/28												
2001/02/28												
Total	223,739		223,739		40,263						264,002	

Farm Losses

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.

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Transfer on amalgamation or wind-up	Current year loss	Carryback	Other adjustments	Adjustments for debt forgiveness	Applied	Applied to Part IV tax	Ending bal.	Expiring if not used this year
2022/02/28												
2021/02/28												
2020/02/29												
2019/02/28												
2018/02/28												
2017/02/28												
2016/02/29												
2015/02/28												
2014/02/28												
2013/02/28												
2012/02/29												
2011/02/28												
2010/02/28												
2009/02/28												
2008/02/29												
2007/02/28												
2006/02/28												
2005/02/28												
2004/02/29												
2003/02/28												
2002/02/28												
2001/02/28												
Total												

Restricted Farm Losses

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.

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Transfer on amalgamation or wind-up	Current year loss	Carryback	Other adjustments	Adjustments for debt forgiveness	Applied	Ending bal.	Expiring if not used this year
2022/02/28											
2021/02/28											
2020/02/29											
2019/02/28											
2018/02/28											
2017/02/28											
2016/02/29											
2015/02/28											
2014/02/28											
2013/02/28											
2012/02/29											
2011/02/28											
2010/02/28											
2009/02/28											
2008/02/29											
2007/02/28											
2006/02/28											
2005/02/28											
2004/02/29											
2003/02/28											
2002/02/28											
2001/02/28											
Total											

Listed Personal Property Losses

Tax year end	Ending bal. from previous tax year	Expired	Opening bal.	Current year loss	Carryback	Other adjustments	Applied	Ending bal.	Expiring if not used this year
2022/02/28									
2021/02/28									
2020/02/29									
2019/02/28									
2018/02/28									
2017/02/28									
2016/02/29									
2015/02/28									
2014/02/28									
Total									

T2 Summary for Lionhart Capital Ltd.

Identification

Taxation year end: 2 | 0 | 2 | 2 | 0 | 2 | 2 | 8 | 1022-240 70 Shawville Blvd SE Email accounting@lionhartcapital.com
 Business Number : 122235872 RC0001 Calgary A | B Phone (403) 850-0076
 T | 2 | Y | 2 | Z | 3 Website:

Tax and credits

(Effective corporate tax rate: %) (Effective corporate tax rate (Part I tax): %) 

Taxable income

Net income or (loss) for tax purposes **300** (40,263)
Taxable income 360

Part I Tax

Subtotal
Part I tax payable

Summary of Tax and Credits

Total federal tax	
Provincial or territorial jurisdiction	750 AB
Total tax payable	770
Total credits	890
Bal. owing (refund) in T2 return	
Bal. owing (refund) in AT1 return	
Total bal. owing (refund)	

Additional tax information

Refundable portion of Part I tax	Net-capital losses	
Capital dividend account balance at year end	Non-capital losses	264,002
GRIP bal. at year end (Net of dividend pmt.)	Farm losses	
LRIP bal. at year end	Restricted farm losses	
Dividend paid	Unused charitable donation	
Taxable dividend received	Active business income	
Adjusted aggregate investment income (AAll)	Business limit assigned (SCI)	
Business limit received (SCI)		

Alberta Tax and credits

(Effective corporate tax rate: %) 

CAN: 204250229 Is AT1 return exempt from filing? Yes

Taxable income (loss) and tax payable

Alberta taxable income (loss) **062** (40,263)
 Basic Alberta tax payable **068**

Deductions and Credits

Balance due (refund) **090**

Additional AT1 tax information

Net-capital losses	Restricted farm losses	
Non-capital losses	Unused charitable donation	
Farm losses		

Summary 5 Year Comparative of Schedule 1 for Lionhart Capital Ltd.

Net Income for Tax Purposes

Tax year ending:	2022/02/28	2021/02/28	2020/02/29	2019/02/28	2018/02/28
From line 9999 from Schedule 125	(61,386)	91,216	141,046	31,153	49,491
Add:					
Provision For Income Taxes Current 101					
Provision For Income Taxes Deferred 102					
Interest and penalties on taxes 103					
Amortization of tangible assets 104	19,960				
Amortization of natural resource assets 105					
Amortization of intangible assets 106					
Recapture of CCA from Schedule 8 107					
Gain on sale of eligible capital property					
Loss in equity of subsidiaries and affiliates 110					
Loss on disposal of assets 111					
Charitable donations and gifts 112					
Taxable Capital Gains 113					
Political donations 114					
Holdbacks 115					
Deferred and prepaid expenses 116					
Depreciation in inventory 117					
Scientific research expenditures 118					
Capitalized interest 119					
Non-deductible club dues & fees 120					
Non-deductible meals & entertainment 121	1,163	242	946	5,067	4,152
Non-deductible automobile expenses 122					
Non-deductible life insurance expenses 123					
Non-deductible company pension plans 124					
Other reserves from S13 125					
Reserves from financial statements 126					
Soft costs on construction and renovations 127					
Non-deductible fines and penalties 128					
Income or loss - partnerships 129					
Amounts calculated under section 34.2 130					
Income shortfall adjustment 131					
Income or loss - joint ventures 132					
Accounts payable and accrual 201					
Accounts receivable and prepaid 202					
Accrual inventory - opening 203					
Accrued dividends - prior year 204					
Capital items expensed 206					
Debt issue expense 208					
Deemed dividend income 209					
Deemed interest on loans to non-residents 210					
Deemed interest received 211					
Development expenses claimed 212					
Dividend stop-loss adjustment 213					
Dividends credited to investments 214					
Exploration expenses claimed in year 215					
Financing fees deducted in books 216					
Foreign accrual property income 217					
Foreign affiliate property income 218					
Foreign exchange inc. in retained earnings 219					
Gain on settlement of debt 220					
Interest paid on income debentures 221					
Limited partnership losses (Schedule 4) 222					

Loss from international banking centres

Mandatory inventory adjustment – current	224				
Non-deductible advertising	226				
Non-deductible interest	227				
Non-deductible legal and accounting fees	228				
Optional value of inventory – current	229				
Other expenses from financial statements	230				
Recapture of SR&ED expenditures	231				
Resource amounts deducted	232				
Restricted farm losses – current year	233				
Sales tax assessments	234				
Share issue expense	235				
Write-down of capital property	236				
Qualifying environmental amounts	237				
Contractor's completion method adjust.	238				
Taxable/non-deductible other comp. inc.	239				
Book loss on joint ventures	248				
Book loss on partnerships	249				
Other additions (total)	296				
Total of lines 101 to 296	21,123	242	946	5,067	4,152

Deduct:

Tax year ending:	2022/02/28	2021/02/28	2020/02/29	2019/02/28	2018/02/28
Gain on disposal of assets per statements	401				
Non-taxable dividend under section 83	402				
Capital cost allowance from Schedule 8	403				
Terminal loss from Schedule 8	404				
Cumulative eligible capital deduction					
Allowable business investment loss	406				
For. non-bus. tax deduct subsection 20(12)	407				
Holdbacks	408				
Deferred and prepaid expenses	409				
Depreciation in inventory – end prior year	410				
SR&ED expenditures claimed in the year	411				
Other reserves on line 280	413				
Reserves from financial statements	414				
Patronage dividend deduction	416				
Contributions to deferred income plans	417				
Incorporation expenses under paragraph 20(1)(b)	418				
Accounts payable and accruals	300				
Accounts receivable and prepaid	301				
Accrual inventory – closing	302				
Accrued dividends – current year	303				
Bad Debt	304				
Equity in income from subsidiaries/affil.	306				
Exempt income under section 81	307				
Income from international banking centres					
Mandatory inventory adjustment	309				
Contributions to a qualifying enviro. trust	310				
Non-Canadian advertising – broadcasting	311				
Non-Canadian advertising – printed	312				
Optional value of inventory	313				
Other income from financial statements	314				
Payments made for allocations	315				
Contractor's completion method adjust.	316				
Non-taxable other comprehensive income	347				
Book income on joint venture	348				
Book income on partnership	349				
Canadian development expenses	340				
Canadian exploration expenses	341				
Canadian oil and gas property expenses	342				
Depletion from Schedule 12	344				
Foreign explore & development expenses	345				
Other deductions	396				
Total of lines 401 to 396					
Net income or (loss) for tax purposes	(40,263)	91,458	141,992	36,220	53,643

Summary 5 Year Comparative for Lionhart Capital Ltd.

Taxable Income

Tax year ending:	2022/02/28	2021/02/28	2020/02/29	2019/02/28	2018/02/28
Net income or (loss) for tax purposes	(40,263)	91,458	141,992	36,220	53,643
Deduct					
Charitable donations from Schedule 2	311				
Gifts to Canada, a province, or a territory					
Cultural gifts from Schedule 2	313				
Ecological gifts from Schedule 2	314				
Gift of medicine from Schedule 2	315				
Taxable dividends deductible	320				
Part VI.1 tax deduction	325				
Non-capital losses of previous tax years	331	91,458			
Net-capital losses of previous tax years	332				
Restricted farm losses of previous years	333				
Farm losses of previous tax years	334				
Limited partner losses of previous years	335				
Taxable capital gains from a central CU	340				
Prospector's and grubstaker's shares	350				
Employer deduction for non-qualified securities	352				
Subtotal		91,458			
Subtotal (if negative, enter "0")			141,992	36,220	53,643
Add					
Section 110.5 or 115(1)(a)(vii) additions	355				
Taxable income	360		141,992	36,220	53,643
Income exempt under paragraph 149(1)(t)	370				
Taxable income (net of exempt income)*				36,220	53,643
* for tax years starting before 2019					
Active business income		91,458	141,992	36,220	53,643

Part I Tax

Tax year ending:	2022/02/28	2021/02/28	2020/02/29	2019/02/28	2018/02/28
Base amount Part I tax	550		53,957	13,764	20,384
Personal services business income tax	560				
Recapture of investment tax credit	602				
Refundable tax on investment income	604				
Subtotal			53,957	13,764	20,384
Deduct					
Small business deduction from line 430			26,978	6,578	9,431
Federal tax abatement	608		14,199	3,622	5,364
Manufacturing/processing profits deduction	616				
Investment corporation deduction	620				
Additional deduction – credit unions					
Federal foreign non-business income cred.	632				
Federal foreign business income tax credit	636				
General tax reduction for CCPCs (M)	638				
General tax reduction (X)	639				
Federal logging tax credit	640				
Eligible Canadian bank deduction	641				
Federal environmental trust tax credit	648				
Investment tax credit	652				
Subtotal			41,177	10,200	14,795
Part I tax payable			12,780	3,564	5,589

Summary of Tax and Credits

Tax year ending:	2022/02/28	2021/02/28	2020/02/29	2019/02/28	2018/02/28
Part I tax payable	700		12,780	3,564	5,589
Part II surtax payable					
Part III.1 tax payable	710				
Part IV tax payable	712				
Part IV.1 tax payable	716				
Part VI tax payable	720				
Part VI.1 tax payable	724				
Part XIII.1 tax payable	727				
Part XIV tax payable	728				
Total federal tax			12,780	3,564	5,589
Net provincial or territorial tax payable	760				
Total tax payable	770		12,780	3,564	5,589
Deduct					
Investment tax credit refund	780				
Dividend refund	784				
Federal capital gains refund	788				
Federal environmental trust credit refund	792				
Return of fuel charge proceeds to farmers tax credit	795				
Canadian film or video production refund	796				
Film/video prod'n services tax credit refund	797				
Canadian journalism labour tax credit	798				
Small businesses air quality improvement tax credit	799				
Tax withheld at source	800				
Provincial/territorial cap. gains refund	808				
Provincial and territorial refundable credits	812				
Tax instalments paid	840				
Total credits	890				
Balance owing (refund)			12,780	3,564	5,589

AT1 Summary

Alberta taxable income or (loss)	62	(40,263)		141,992	36,220	53,643
Deduct: Royalty Tax Deduction	64					
Alberta Allocation Factor	65	1.00000	1.00000	1.00000	1.00000	1.00000
Amount Taxable in Alberta	66			141,992	36,220	53,643
Rate		0.08000	0.12000	0.12000	0.12000	0.12000
Total	68			15,859	4,346	6,437
Alberta Small Business Deduction	70			13,020	3,622	5,364
Mfg and Processing Profits Deduction	71					
Foreign Investment Income Tax Credit	72					
Political Contributions Tax Credit	74					
Other Deductions	76					
Total	79			13,020	3,622	5,364
Alberta Tax Payable	80			2,839	724	1,073
Scientific R&D Tax credit	81					
Innovation Employment Grant	129					
Instalments, other payments and credits	82					
Alberta Royalty Tax Credit						
Royalty Tax Credit Instalments						
Interactive Digital Media Tax Credit	85					
Capital Gains Refund	86					
Other Credits	87					
Total	88					
Balance Unpaid (Overpayment)	90			2,839	724	1,073
Balance due	91					

LIONHART CAPITAL LTD.
Balance Sheet As at Feb 28, 2018

ASSET**CURRENT ASSETS**

ATB-Treasury Branch	12,951.92	
TD Chequing	28,997.12	
Cash: Total		41,949.04
Commissions Advanced		25,102.68
Lionhart Insurance - Receivable		2,956.63
Spherical - Receivable		-329,622.29
Due To/From Geraco		16,364.44
Home Seek - Receivable		958.74
Accounts Receivable - unlinked		6,010.00
Accounts Receivable		76,412.88
Income Taxes Recoverable	919.00	
Leasees' Receivable: Total		919.00
Prepaid Expenses		12,952.81
TOTAL CURRENT ASSETS		-145,996.07

FIXED ASSETS

Furniture & Equipment	12,076.88	
Accum Deprcn - Furn. & Equip.	-11,798.53	
Furniture & Equip - NET:		278.35
Computer Equipment	60,286.56	
Accum Deprcn - Computer	-44,782.85	
Computer Equipment - NET:		15,503.71
ArtWork		467.28
Vehicle	29,245.28	
Accum Depr-Vehicle	-25,067.32	
Vehicle- NET:		4,177.96
TOTAL FIXED ASSETS		20,427.30

TOTAL ASSET -125,568.77

LIABILITY**CURRENT LIABILITIES**

Shareholder - Loan		48,044.01
CIBC Bizline Visa		41,000.00
CIBC Aventura MC/4259		47,115.74
CIBC Visa 6391		34,903.77
CIBC Dividend Visa 1684		-90.59
CIBC LOC		1,146.51
Visa - Royal 3073/3065		1,642.70
Visa - RBC 0894/0902		2,094.72
TD Visa #9576		-18,000.00
TD LOC		-11,061.15
RBC LOC		26,615.77
MBNA #6442		36,423.40
MBNA #7397		44,811.50
MBNA Alaska #9091		5,736.80
Loan to LCL - G Bevan		1,267.42
Loan to LCL from SCI		189,603.94
Loan to LCL from Do Bytes		12,952.81
EI Payable	875.61	
CPP Payable	1,776.80	
Income Taxes	3,224.62	
Payroll Adj prev years	405.16	
Receiver General Payable		6,282.19
Vacation Earned		-261.26
Accounts Payable		59,849.81
AP Clearing Acct		-1,698.00
Accrued Liabilities		3,146.44

LIONHART CAPITAL LTD.
Balance Sheet As at Feb 28, 2018

Deposits Payable to Funder		20,459.03
Federal Corporation Taxes		4,811.78
Provincial Corporation Taxes		694.00
GST Payable/(Receivable)	62,543.72	
GST Collected	-976.29	
GST Paid	-1,182.36	
GST Owing(Refund)		60,385.07
Ontario HST collected		1,650.00
TOTAL CURRENT LIABILITIES		<u>619,526.41</u>
TOTAL LIABILITY		<u>619,526.41</u>
EQUITY		
EARNINGS		
Share Capital		100.00
Dividends		-110,000.00
Retained Earnings		-684,687.21
Current Earnings		49,492.03
TOTAL EARNINGS		<u>-745,095.18</u>
TOTAL EQUITY		<u>-745,095.18</u>
LIABILITIES AND EQUITY		<u><u>-125,568.77</u></u>

LIONHART CAPITAL LTD.
Income Statement Mar 01, 2017 to Feb 28, 2018

REVENUE

REVENUE

Ends Fee	48,398.42
Documentation Fees	151,857.40
Processing Fee	90.44
Insurance	1,505.18
Appraisals	-485.71
Bonus Income	6,288.00
Brokerage Fees	471,316.31
Factoring Fees	-7.00
Miscellaneous Income	8,420.32
Referral Fees	1,398.75
TOTAL REVENUE	<u>688,782.11</u>

TOTAL REVENUE 688,782.11

EXPENSE

Operating Expenses

Advertising & Promotion	12,831.71
Bank & Service Charges	3,283.44
credit card sales service charge	1,892.36
Bookkeeping Fees	9,046.38
Brokerage/Insurance Adj	202.57
Conference	1,194.03
Legal Fees	3,262.34
Computer Repairs & Access.	25,277.95
Courier/Freight	621.17
Court Costs	1,545.27
Gifts	618.45
Lease expense	150.00
Insurance	4,081.07
Loan Interest	8,850.15
Meals & Entertainment	4,153.82
Meals - Disallowed Portion of GST	4,149.56
Misc.	4,685.01
Memberships	340.00
Penalties/Interest	3,080.73
Office Equip & Repairs	1,276.15
Office Supplies/Operations	3,921.04
Office Maintenance	62.93
Parking	71.01
Postage	809.48

Printed On: Dec 06, 2018

LIONHART CAPITAL LTD.
Income Statement Mar 01, 2017 to Feb 28, 2018

Professional Fees		100.00
Payments to Geraco		1,000.00
Registration / Searches Fees		11,375.18
Referral Fees		10,432.50
Employee - BDM		136,286.94
Sub-Contracts - BDM		35,280.53
Telephone LCL		1,641.34
Telephones - Cellular		2,889.87
Cell - Active	17,876.49	
Cell - Inactive	-795.00	
Total Cell		17,081.49
Training		291.28
Travel		14,636.26
Mileage		556.51
Utility bills		114.99
Vehicle Expenses		5,282.71
Vehicle Allowance		21,250.00
Office Salaries		239,708.17
Company EI Expense	7,625.71	
Company CPP Expense	15,592.04	
Company Payroll Expense		23,217.75
Payroll Adjustments		53.93
Medical plan benefits		22,684.01
Total Operating Expenses		639,290.08
TOTAL EXPENSE		639,290.08
NET INCOME		49,492.03

Lionhart Capital Ltd.

Profit and Loss

March 2021 - February 2022

	TOTAL
INCOME	
40050 Administration Fees	8,174.73
40080 Ends Fee	27,680.03
40110 Processing Fee	9,015.96
40500 Brokerage Fees	149,194.26
40950 Referral Fees	0.00
Total Income	\$194,064.98
COST OF GOODS SOLD	
52100 BDM - Employee	1,044.40
52200 BDM - Subcontractors	51,964.78
52250 Broker Agent Comm	34,915.99
52270 Registration/Search Fees	48.98
52280 Referral Fees Expense	7,712.15
Total Cost of Goods Sold	\$95,686.30
GROSS PROFIT	\$98,378.68
EXPENSES	
53000 Call Centre	
53500 Call Centre Staff expense	122,485.67
Total 53000 Call Centre	122,485.67
54000 Professional Fees	
54100 Accounting	3,250.00
54200 Bookkeeping Fees	3,094.00
54300 Computer Maintenance	8,306.30
54500 Legal Fees	235.34
Total 54000 Professional Fees	14,885.64
55000 Payroll Expenses	
55100 Office Salaries	443.52
55130 Company EI Expense	2,290.22
55140 Company CPP Expense	5,604.49
55500 Employee Benefits	8,231.35
Total 55000 Payroll Expenses	16,569.58
56000 Office Supplies	1,970.07
56100 Advertising & Promotion	2,613.46
56150 Bank & Service Charges	2,911.68
56410 Gifts	387.40
56450 Insurance Expense	-199.00
56455 Interest paid	76.98
56500 Meals & Entertainment	2,325.89
56600 Memberships	33.18
56650 Office Supplies - Postage	155.56
56700 Telephone Office	3,905.57
56750 Telephone - Cellular	4,336.31
56900 Travel	313.92
57000 Vehicle Expenses	2,806.91
57150 Vehicle Parking	12.00
Total Expenses	\$175,590.82

Lionhart Capital Ltd.

Profit and Loss

March 2021 - February 2022

	TOTAL
OTHER INCOME	
40960 Temporary Wage Subsidy (CEWS)	35,787.42
Total Other Income	\$35,787.42
PROFIT	\$ -41,424.72

Lionhart Capital Ltd.

Profit and Loss

March 2020 - February 2021

	TOTAL
INCOME	
40050 Administration Fees	2,123.30
40080 Ends Fee	89,778.11
40110 Processing Fee	28,437.88
40300 Appraisals	-231.15
40500 Brokerage Fees	148,033.40
40950 Referral Fees	1,702.05
Total Income	\$269,843.59
COST OF GOODS SOLD	
52000 Appraisal Expense	637.01
52200 BDM - Subcontractors	2,656.19
52250 Broker Agent Comm	38,715.12
52270 Registration/Search Fees	4,178.88
52280 Referral Fees Expense	6,345.60
Total Cost of Goods Sold	\$52,532.80
GROSS PROFIT	\$217,310.79
EXPENSES	
53000 Call Centre	
53100 Call Centre Rent	3,835.52
53500 Call Centre Staff expense	98,748.18
53600 Call Centre Maintenance	2,600.00
Total 53000 Call Centre	105,183.70
54000 Professional Fees	
54200 Bookkeeping Fees	6,175.00
54300 Computer Maintenance	8,704.00
54400 Consulting Fees	5,600.00
Total 54000 Professional Fees	20,479.00
55000 Payroll Expenses	
55100 Office Salaries	396.00
55130 Company EI Expense	2,169.92
55140 Company CPP Expense	4,867.50
55200 Payroll Fees	4,025.80
55500 Employee Benefits	8,298.19
55550 Training	37.98
Total 55000 Payroll Expenses	19,795.39
56000 Office Supplies	1,780.38
56100 Advertising & Promotion	9,392.19
56150 Bank & Service Charges	3,123.59
56455 Interest paid	2,773.96
56500 Meals & Entertainment	482.82
56650 Office Supplies - Postage	95.99
56700 Telephone Office	1,014.72
56750 Telephone - Cellular	6,486.06
56900 Travel	406.12
57000 Vehicle Expenses	3,101.06
Total Expenses	\$174,114.98

Lionhart Capital Ltd.

Profit and Loss

March 2020 - February 2021

	TOTAL
OTHER INCOME	
40960 Temporary Wage Subsidy (CEWS)	48,021.00
Total Other Income	\$48,021.00
PROFIT	\$91,216.81

Lionhart Capital Ltd.

Balance Sheet

As of November 30, 2022

	TOTAL
Assets	
Current Assets	
Cash and Cash Equivalent	
10600 ATB-Treasury Branch	26,704.41
10650 TD Chequing	53,488.04
10690 Paid by Shareholder	0.00
10750 CRA Clearing	-830.29
Total Cash and Cash Equivalent	\$79,362.16
Accounts Receivable (A/R)	
12010 Accounts Receivable	234,943.88
Total Accounts Receivable (A/R)	\$234,943.88
11600 Commissions Advanced	
	27,077.17
11930 Lionhart Insurance - Receivable	
	2,956.63
11960 Home Seek - Receivable	
	958.74
15000 Prepaid Expenses	
	16,335.57
Artwork	
	467.28
Total Current Assets	\$362,101.43
Non-current Assets	
Property, plant and equipment	
19110 Net - Computer Equipment	
19120 Computer Equipment	60,286.56
19130 Accum Dep - Computer	-44,782.85
Total 19110 Net - Computer Equipment	15,503.71
19210 Net - Furniture & Equipment	
19220 Furniture & Equipment	12,076.88
19230 Accum Dep - Furn. & Equip.	-11,798.53
Total 19210 Net - Furniture & Equipment	278.35
19310 Net - Vehicle	
19320 Vehicle	29,245.28
19330 Accum Dep-Vehicle	-25,067.32
Total 19310 Net - Vehicle	4,177.96
Total Property, plant and equipment	\$19,960.02
Total Non Current Assets	\$19,960.02
Total Assets	\$382,061.45
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable (A/P)	
22000 Accounts Payable	21,858.33
Total Accounts Payable (A/P)	\$21,858.33
Credit Card	
20240 CIBC Bizline Visa inactive	0.00
20241 CIBC Aventura MC 4259	-2,600.00
20245 CIBC Dividend Visa 1684 inactive	-2,349.31
20250 Visa - RBC 3073/3065	475.90

Lionhart Capital Ltd.

Balance Sheet

As of November 30, 2022

	TOTAL
20255 Visa - RBC 0894/0902	93.78
20257 TD Visa 9576	0.00
20260 TD LOC 3202476	-940.09
20265 TD LOC 3254336	20,000.00
20268 TD CEBA Loan	60,000.00
20280 RBC LOC	2,157.51
20285 MBNA 8057 inactive	-143.00
20291 MBNA 7397	29,405.39
20292 MBNA Alaska 9091 inactive	-2.99
Total Credit Card	\$106,097.19
20400 Loan to LCL from G Bevan	4,267.42
20450 Loan to LCL from SCI	189,603.94
20470 Loan to LCL from Do Bytes	12,952.81
20970 EI Payable	3,273.68
20980 CPP Payable	7,259.84
20990 Income Taxes Payable	16,507.10
20995 Payroll Adj prev years	405.16
21500 Vacation Earned	-334.00
22010 AP Clearing Acct	-1,698.00
22015 Accrued Commissions Payable	13,738.05
22100 Accrued Liabilities	3,146.44
24000 Deposits Payable to Funder	164,140.45
25000 Corporate Income Taxes	-2,732.51
26300 GST Installments	-27,110.20
26500 GST Collected	33,353.31
26700 GST Paid	-3,227.91
GST/HST Payable	2,420.50
GST/HST Suspense	84,120.41
PST Payable (BC)	4,013.20
Total Current Liabilities	\$632,055.21
Non-current Liabilities	
11940 Due To/From Spherical	238,477.83
11950 Due To/From Geraco	-16,364.44
20200 Shareholder Loan	17,733.92
Total Non-current Liabilities	\$239,847.31
Total Liabilities	\$871,902.52
Equity	
30200 Share Capital	100.00
30300 Dividends	-110,000.00
Retained Earnings	-416,275.31
Profit for the year	36,334.24
Total Equity	\$ -489,841.07
Total Liabilities and Equity	\$382,061.45

Amber Poburan

From: Amber Poburan
Sent: May 9, 2023 1:45 PM
To: Mathieu LaFleche
Subject: RE: Lionhart

This is Exhibit "C" to the Affidavit of
Jessa Shapka, sworn this 21st day of June, 2023

BRENDA LEWICKI
A Commissioner for Oaths in and for Alberta
Expires: Feb. 12, 20 26


A Commissioner for Oaths in and for
the Province of Alberta

Hi Matt,

Apologies for the delay, I have been coordinating with my client and MNP. We are going to proceed with a valuation of Lionhart in advance of the application using MNP. We believe it is important evidence which may greatly impact your application.

I understand the valuation can be completed relatively quickly, but to ensure that we have time to receive the report and prepare our reply materials I would request that we set the application down in the third or fourth week of June.

Please advise if there are specific dates that work best for you: I can advise that I am unavailable June 22 and 29.

Kind regards,

Amber Poburan | Barrister & Solicitor, Associate
Sharek Logan & van Leenen LLP

☎ 780 413 3105
✉ apoburan@sharekco.com
🌐 yeglaw.ca
📍 #2100, 10060 Jasper Avenue NW
Edmonton, AB T5J 3R8

Sharek & Co.
Barristers and Solicitors

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Important Notice: This office will not accept documents for service by email, unless we have given express prior written consent to do so.

From: Mathieu LaFleche <LaFlecheM@bennettjones.com>
Sent: Tuesday, May 9, 2023 1:27 PM
To: Amber Poburan <apoburan@sharekco.com>
Subject: RE: Lionhart

Hi Amber,

I've not heard anything further from you. We intend to set this down for June 1.

Best Regards,
Matt

Mathieu LaFleche
Partner*, Bennett Jones LLP
*Denotes Professional Corporation

3200 TELUS House, South Tower, 10020 - 100th Street, Edmonton, AB, T5J 0N3
T. 780 917 5249 | F. 780 421 7951



BennettJones.com/100Years

From: Mathieu LaFleche
Sent: Tuesday, May 2, 2023 12:03 PM
To: 'Amber Poburan' <apoburan@sharekco.com>
Subject: RE: Lionhart

Hi Amber,

Just following up on the below.

Thanks!
Matt

From: Mathieu LaFleche
Sent: Tuesday, April 18, 2023 8:45 AM
To: 'Amber Poburan' <apoburan@sharekco.com>
Subject: Lionhart

Hi Amber,

Further to our last discussion, Mr. Wood is not prepared to agree to forego the requested relief of appointing a receiver to conduct a valuation independent from a receivership.

I note that Mr. Bevan's evidence in his examination on aid is that he received no payments from Lionhart and had not received any such payments in some time. We are now being told that Lionhart has no tangible retained assets either so the information we are being provided is that it has no retained assets and generates no income on an ongoing basis. We remain of the view that the only realistic way to get a handle on what, if anything, the corporation is doing is to have someone appointed to take control of Lionhart's affairs. Mr. Bevan has disclosed no other material assets and so to the extent Lionhart has any value at all, there is no prospect of it exceeding the judgment value.

Please let me know what dates you might be available to set this back down on the commercial list.

In the meantime, we would ask that you please provide us with an accounting pursuant to Paragraph 3 of Justice Mah's interim order.

Best Regards,

Mathieu LaFleche
*Partner**, Bennett Jones LLP
*Denotes Professional Corporation
3200 TELUS House, South Tower, 10020 - 100th Street, Edmonton, AB, T5J 0N3
T. 780 917 5249 | F. 780 421 7951



BennettJones.com/100Years

Amber Poburan

From: Amber Poburan
Sent: March 29, 2023 10:53 AM
To: Mathieu LaFleche
Cc: David Archibold
Subject: Wood v. Bevan

Hi Matt,

Further to our discussion on this matter, I write to confirm our proposal to retain MNP to perform a valuation of Lionhart Capital in advance of the receivership application. We are of the view that a valuation will be necessary in any event, and we would like to minimize the cost and procedure inherent in a receivership.

It is our understanding that Lionhart has incredibly limited, if not zero, assets, and the only way to access any value in the company is to sell to a party who is able to keep the business intact, and preserve the relationships that Lionhart has forged. Our review of the contracts entered into between the company and its contractors suggests that those individuals work with Lionhart on an at-will basis, and the contracts are not transferable on the sale of the business.

We have reached out to MNP, the proposed receiver in this matter, and confirmed that Dany Le is in a position to assess the company's assets and liabilities and provide a valuation of the same. As the cost of this valuation would be incurred in the event of a receivership, we propose to pay for the same out of the funds generated by Lionhart. MNP has advised that they can have the valuation completed in approximately 5 weeks from the date of engagement.

Please canvas this proposal with your client at your earliest convenience and let us know what you think: we believe this is the most efficient way forward, and hope to hold off on the receivership pending receipt of this third party valuation.

Kind regards,

Amber Poburan | Barrister & Solicitor, Associate
Sharek Logan & van Leenen LLP

☎ 780 413 3105

✉ apoburan@sharekco.com

🌐 yeglaw.ca

📍 #2100, 10060 Jasper Avenue NW
Edmonton, AB T5J 3R8

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Barristers and Solicitors

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Trust for amounts collected

- **222 (1)** Subject to subsection (1.1), every person who collects an amount as or on account of tax under Division II is deemed, for all purposes and despite any security interest in the amount, to hold the amount in trust for Her Majesty in right of Canada, separate and apart from the property of the person and from property held by any secured creditor of the person that, but for a security interest, would be property of the person, until the amount is remitted to the Receiver General or withdrawn under subsection (2).

...

Extension of trust

(3) Despite any other provision of this Act (except subsection (4)), any other enactment of Canada (except the *Bankruptcy and Insolvency Act*), any enactment of a province or any other law, if at any time an amount deemed by subsection (1) to be held by a person in trust for Her Majesty is not remitted to the Receiver General or withdrawn in the manner and at the time provided under this Part, property of the person and property held by any secured creditor of the person that, but for a security interest, would be property of the person, equal in value to the amount so deemed to be held in trust, is deemed

- **(a)** to be held, from the time the amount was collected by the person, in trust for Her Majesty, separate and apart from the property of the person, whether or not the property is subject to a security interest, and
- **(b)** to form no part of the estate or property of the person from the time the amount was collected, whether or not the property has in fact been kept separate and apart from the estate or property of the person and whether or not the property is subject to a security interest

and is property beneficially owned by Her Majesty in right of Canada despite any security interest in the property or in the proceeds thereof and the proceeds of the property shall be paid to the Receiver General in priority to all security interests.



This is Exhibit "D" to the Affidavit of
Jessa Shapka, sworn this 21st day of June, 2023

Confidential

A Commissioner for Oaths in and for
the Province of Alberta

INDEPENDENT LEASE AGENT AGREEMENT

BRENDA LEWICKI
A Commissioner for Oaths
in and for Alberta
Expires: Feb. 12, 2026

THIS AGREEMENT is made

BETWEEN:

Lionhart Capital Ltd. ("LCL")

AND _____ (THE "CONTRACTOR")

WITNESSES THAT WHEREAS:

LIONHART CAPITAL LTD carries on the business of originating and brokering equipment lease and financing agreements and selling commercial finance products in jurisdictions of Canada where permitted by law (the "Business");

Contractor desires to engage in the business; and LCL desires to utilize the Contractor's services as outlined in this agreement.

NOW THEREFORE in consideration of the premises and of the mutual covenants and agreements hereinafter set forth, the parties hereto agree each with the other as follows:

1. LCL hereby retains Contractor and Contractor agrees to provide LCL with the following services:

a) Carry on the business of sourcing leads in equipment leasing and financing business with clients who require capital and establish relationships with entities that provide products, equipment, or items for lease or finance (the "Services"); and

b) Act as a knowledgeable resource to customers and vendors about equipment lease financing, work with the organization to develop creative solutions which meet customer/lender needs within the risk guidelines established by each lender, assess applications to determine/evaluate assets required of used or new equipment by that business to operate, that our appropriated lenders require. Provide a credit write-up with assets to be purchase, along with structuring recommendations to meet the needs of the customer within the guidelines of various lenders and lending institutions.

2. Contractor hereby agrees to provide their services to LCL during the term hereof. Contractor shall render their services to LCL in compliance with LCL business practices, policies, and procedures, as made known to the Contractor from time to time.

3. It is expressly understood by all parties hereto that commissions and revenues generated by Lease and/or Financing transactions are on a percentage fee basis, which make up the "Gross Fees" generated by said transaction. Any fees paid out from the transaction will be deducted from this fee.

4. In the provision of Services the Contractor is required to submit a complete LCL credit application, write-up story of what the funds will be used for, assets to be used for collateral and if required other supporting documents of the transaction for the LCL credit team to package the deal for a potential lender.

Initial: _____

5. LCL team, at their own discretion, may communicate directly with the client or vendor upon receipt of the signed Credit Application and supporting credit package information provided. This may be to develop the story of what the transaction entails, and structure required to obtain a credit approval. This includes, in closing of the deals financing, the transaction is accurate and complete with confirmation of acquired signatures on documents, and whatever paperwork may be necessary to complete the deal to the funders satisfaction.

6. The Contractor agrees, at the time of the close and funding (funds have been received by LCL in that month) the Contractor will be paid the following fees, on the following 15th of the following month:

Compensation Plan

This document sets forth the terms and conditions upon which Lionhart Capital Ltd ("LCL"), shall compensate the undersigned Contractor Compensation plan described herein, and accordingly LCL reserves the right to modify such terms and conditions at any time and from time to time, for any reason, with or without the consent of the Contractor; provided, however, that LCL shall not modify such terms and conditions with respect to compensation previously earned by the Contractor.

INCENTIVE COMPENSATION

Contractor shall be entitled to several Incentive Compensation Plans based on the Brokerage Fee volume generated of leases and/or loans, either assigned to the Contractor or originated by the Contractor. The Incentive Compensation plan will be reviewed quarterly and are subject to change at any time based upon changes in the financial market and other factors in the discretion of LCL' executive management. Additional incentives will be paid by LCL based on volume of Brokerage Fees generated. Contact your manager about these other incentives and quotas required to obtain them.

Commission:

Starting each year, the Contractor shall be entitled to a commission of 30% of brokerage fees obtained by LCL, up to the \$600,000.00 of capitalized cost in those lease financing deals closed and funded with LCL. Upon funding \$600,000.00 +, the commissions will increase to 50% of brokerage fees on all deals closed after for that year.

Example: Contractor closes over \$600,000.00 + in deals and achieves brokerage fees of \$22,000.00 commissions for that month they will be calculated as follows: \$22,000.00 brokerage fee @ 50.00% = \$11,000.00 would be the commission paid to you for those deals that month.

QUARTERLY BONUS INCENTIVE

Contractor shall be entitled to the Quarterly Bonus Incentive, on a quarterly basis based on meeting a quarterly brokerage bonus target of \$36,000.00 + in brokerage fees.

Payout of bonus is based on brokerage fees in that quarter.

Contractor shall be entitled to a quarterly bonus commission of 10% of total brokerage fees \$ earned in that quarter once they are over the quarterly brokerage bonus target amount.



ACCOUNTABLE DRAW AGAINST COMMISSIONS PLAN

Monthly draw represents a prepayment for future commissions earned and the Contractor, is FULLY ACCOUNTABLE for any draw overpayment deficit upon transfer, resignation, termination or by year end. Monthly draw is paid on the 15th pay period of \$3000.00. If you are currently in a deficit position from previous months draw, management reserves the right not to continue optional draw program.

Draw deficit is limited to the sum equivalent to a maximum of three (3) months draw at any one time. Management reserves the right to review the draw account monthly and cease the payment of a draw based on that target review.

If the outstanding draw reaches a level of \$6,000.00 or greater, payroll will issue a "Notice of Draw Deficiency" with a copy to the Branch Manager, Director of Sales and President. A written response is received within 7 working days outlining your plan for repayment either through commissions earned but not yet paid or through payroll deduction.

If the optional "Draw against Commission" Program will no longer be offered as of the first year of this contract.

Lionhart Capital Ltd reserves the right to change or modify this compensation plan with notice, commensurate with corporate goals and direction.

Performance will be reviewed monthly to ensure the achievement of our mutual requirements.

ANCILLARY REVENUE INCENTIVES

WORKING CAPITAL REVENUE

Contractor shall receive a monthly incentive to sell ancillary products such a "Working Capital Loans". This incentive is calculated using the following formula.
Flat 40% Commission paid from total Revenue on transaction.
Example: Contractor sells a new Working Capital loan with a total fee of \$2500.
 $\$2500 * 40\% = \1000.00 Commission to Contractor

Initial: _____

GENERAL

Any Incentive Compensation paid erroneously or paid with respect to a lease/loan that was subsequently unwound shall be returned by the Contractor to LCL and may be netted against future compensation payable to the Contractor. If LCL closes a lease/loan without certain conditions of the lease/loan having been met, LCL reserves the right to consider Contractors Incentive Compensation unearned until all such conditions have been met. In no event shall LCL be liable to Contractor for a commission on leases/loans not closed or on leases/loans that are subsequently unwound, and Contractor shall not be entitled to any advance or payment from LCL based upon future Incentive Compensation expected. Contractors are eligible to be charged a claw back of commissions paid out on insurance sales when a policy cancels within the first 12 months of an insurance contract.

1. Contractor will not be eligible for any Incentive Compensation as outlined in this plan if Contractor is on any extended leave of absence during the time of sale closing.
2. Should Lionhart Capital Ltd become responsible for the completion of the application and the transaction in terms of communicating directly with the client, acquiring signatures on documents, providing end-user contracts, and whatever other tasks may be necessary to complete the transaction without any involvement by the Contractor, then said transaction will be deemed to fall under the terms of the Referral Service offered by Lionhart Capital Ltd to the Contractor. In regards to the provision of the Referral Service, Lionhart Capital Ltd and the Contractor agree, at the time of the close and funding (and once payment has been received by Lionhart Capital Ltd). A 5% Referral Fee of the Brokerage Fees will be paid while you are listed as an active agent to a maximum of \$500.00 on business from the client.
3. Should any Funder, at their own discretion, claw back any commissions, payments, or fees earned by LCL for any lease under which the lessee has defaulted, or for which fraud has been detected, then LCL will claw back any commissions paid to the Contractor on that lease.
4. The Contractor shall be responsible for the payment of all expenses related to his/her services, including all statutory deductions for all personnel of the Contractor, including the Contractor.
5. The Contractor shall not contact any lessee and/or finance providers directly for any reason, at the request of our lessee and/or finance providers unless otherwise designated by LCL to do so. Instead, the Contractor is to liaise directly with LCL to discuss any and all issues as they pertain to transactions in progress. LCL will work directly with Vendors or Clients on issues pertaining to any in-progress of the transaction.

6. This Agreement may be terminated by LCL or the Contractor upon 60 days prior written notice to the other party. Any accrued and unpaid compensation due the Contractor as of the date of termination and payable pursuant to this Agreement shall be paid within 10 days following the date of termination.

Initial: _____

7. This Agreement may, at the option of LCL, be immediately terminated, without prior notice, upon the death of the Contractor or if the Contractor shall be rendered incapable by illness or any other valid cause from complying with the terms, conditions and provisions on their part to be kept, observed and performed pursuant to this Agreement for a period of time which LCL determines to be unreasonable. In the event of termination under this paragraph, the termination shall be effective as of the date of the notice of termination. Any accrued and unpaid compensation due the Contractor as of the date of such death or disability pursuant to this Agreement herein shall be paid within 10 days following the date of death or disability.

8. In the case of early termination, default or repossession during the first 3 months of the terms of any given transaction, the Contractor agrees to reimburse 100% of the Gross Fee back to LCL within 10 business days of receipt of notification from LCL.

9. The Contractor hereby represents and warrants to LCL, that;

a) To the best of the Contractor's knowledge, all the lease documents, signatures and information on the documents, will be a true, correct, genuine and complete copy of the document it purports to be;

b) The Vendor and the Contractor are affiliated, and the Vendor is a bona fide dealer who regularly stocks and sells equipment of this type which is the subject of the lease;

c) Unless otherwise disclosed, no rental payments or deposits due under the Lease have been paid by anyone else except for the lessee and no other payments have been made except as stated in the Lease Agreement;

d) The Contractor has furnished LCL with ALL credit information known to the Contractor concerning the lessee under each lease;

e) The Contractor has no criminal record of any sort and will provide evidence of such clear record to LCL upon request.

10. LCL shall have the option to terminate this Agreement for cause, immediately upon notice to the Contractor, upon the occurrence of any of the following events:

a) Contractor materially breaches any of the terms or provisions of this Agreement which includes compliance with the rules and regulations of LCL;

b) Contractor materially breaches any of the codes of conduct, regulations, or Provincial or Federal laws applicable to Vehicle, Commercial Lease Financing transactions in effect at that time;

- c) Contractor habitually neglects their duties as contemplated under this Agreement.
- d) Contractor is convicted of an offence under the Criminal Code of Canada or like statute;

Initial: _____

e) Contractor knowingly misrepresents information or falsifies documentation during any of the processes involved in LCL's business of originating and arranging of commercial equipment leases and financing. If this Agreement is terminated for cause as herein provided, accrued and unpaid compensation due the Contractor as of the date of termination pursuant to this Agreement shall be paid within 10 days following the date of termination.

11. This Agreement may not be assigned by the Contractor without the prior written approval of LCL, approval of which shall be at the sole discretion of LCL.

12. The Contractor expressly agrees that all books and records relating in any manner whatsoever to the business of LCL, and all other files, books and records and other materials owned by LCL or used by it in connection with the conduct of its business whether prepared by the Contractor or otherwise coming into the Contractor's possession, shall be the exclusive property of LCL regardless of who actually prepared the original material, books or records. All such books and records and other materials shall be returned immediately to LCL upon the termination of the Contractor's services.

13. Contractor further agrees:

a) "Confidential Information" means all information in any form, whether written, electronic, or oral, about or owned, used or licensed by LCL or its past, present, or future subsidiaries, parents, affiliates, licensors and related companies, including without limitation information about their respective businesses, business interests, assets, liabilities, software, Intellectual Property, customers, members, web site users, resellers, suppliers, and customers of their suppliers and resellers, and including without limitation the personally identifiable information of any customers, members or web site users, and all other information that is not generally, lawfully available to third parties or is treated by LCL or any of its past, present, or future subsidiaries, parents, affiliates, licensor's and related companies as confidential information or a trade secret. Confidential Information does not include information that is lawfully available to the public other than:

(i) through the Contractor's breach of this Agreement; or (ii) the breach by any other person of any confidentiality obligations owed to LCL or any of its past, present, or future subsidiaries, parents, affiliates, licensors and related companies;

b) To maintain the confidentiality of the Confidential Information defined in section 18(a) both during and after the term of this Agreement. The Contractor will use and disclose the Confidential Information only during the term of the Agreement and only as required for the performance of the Contractor's duties and obligations under this Agreement. The Contractor will not use or disclose any Confidential Information for the Contractor's personal advantage or the advantage of any other person or entity. Nothing in this agreement will prevent the Contractor's disclosure of Confidential Information that is required to be disclosed under applicable laws or legal process, provided that prior to disclosing any

14. Confidential Information the Contractor will notify LCL and use reasonable efforts to assist LCL in seeking a protective order limiting disclosure or use of the Confidential Information; and

c) The Contractor will at any time upon request by LCL, and immediately upon the termination of the Contractor's services, promptly return to LCL all originals or copies of Confidential Information and all

Initial: _____

paper and electronic documents and other records containing Confidential Information, and any other property belonging to, or relating to the business of LCL or its subsidiaries, parents, affiliates and related companies.

15. The Contractor shall comply with all relevant Provincial and Federal privacy legislation in the conduct of their office and business affairs, and particularly as it relates to all business with LCL and its affiliates.

16. Nothing contained in this agreement shall be construed to constitute the Contractor as an employee, partner, or agent of LCL, except as expressly stated herein, and neither party shall have any authority to bind the other in any respect except as expressly stated herein;

17. Contractor further agrees:

a) That during the term of this Agreement and for a period of 6 months following the termination of this Agreement, the Contractor will not, directly or indirectly, hire or take away or cause to be hired or taken away, any employee or independent contractor of LIONHART CAPITAL LTD.

18. The Contractor acknowledges he/she received the opportunity to seek independent legal advice before signing this Agreement.

19. Any notice required or permitted to be given under this Agreement by one party to the other, including for termination, shall be in writing.

20. This Agreement and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the Province of Alberta. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in connection with that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

21. The parties hereto agree that this Agreement constitutes the entire and exclusive agreement between them pertaining to the subject matter contained in it, and supersedes all prior or contemporaneous Agreements, oral or written, conditions, representations, warranties, proposals and understandings of the parties pertaining to such subject matter.

22. The provisions of this Agreement inure to the benefit of and are binding on the success or and assigns of LCL and the successors and assigns of the Contractor.

23. Should any paragraph or provisions of this/her Agreement be held to be void, invalid or inoperative, it shall not affect any other paragraph or provision hereof, and the remainder of this agreement shall be effective as though such void, invalid, or inoperative paragraph or provisions had not been contained herein.



Initial: _____

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the _____ day of _____, 2022 in the City of _____ in the Province of _____.

LIONHART CAPITAL LTD.

Candice Kingma, Branch Manager

Acceptance and Acknowledgment

Contractor Business Name _____

Name _____

Title: _____

Signature: _____ Witness _____

I have the authority to bind the Corporation Name _____