

2025 01G
IN THE SUPREME COURT OF NEWFOUNDLAND AND LABRADOR
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF the *Companies Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the “**CCAA**”)

AND IN THE MATTER OF an application of Karwood Contracting Ltd., Karwood Engineering Inc., Karwood Design Group Ltd. and Karwood Ontario Ltd. (the “**Applicants**”)

AFFIDAVIT OF GREGORY HUSSEY

I, **GREGORY HUSSEY**, of **Paradise**, Newfoundland and Labrador, **MAKE OATH AND SAY THAT:**

1. I am the President and a Director of Karwood Contracting Ltd. (“**Karwood Contracting**”), Karwood Engineering Inc. (“**Karwood Engineering**”), Karwood Ontario Ltd. (“**Karwood Ontario**”) and Karwood Design Group Ltd. (“**Karwood Design**”) (collectively referred to as the “**Applicants**”), and as such I have direct knowledge of the Applicants’ business and financial affairs.
2. This Affidavit is sworn in support of the Applicants’ motion pursuant to s. 11 of the CCAA. I have reviewed the application, and the facts contained therein are true to the best of my knowledge, information, and belief. Where the information provided herein is not based on my direct knowledge of the Applicants’ business and financial affairs, I have indicated the third-party source for that information.

I. APPLICANTS’ BUSINESS

A. Corporate Structure:

3. Karwood Contracting is incorporated under the Newfoundland and Labrador *Corporations Act* RSNL 1990 C-13 (the “**NL Corporations Act**”) with a registered office at 1429C Topsail

Road, Paradise, Newfoundland and Labrador. Karwood Contracting's directors are me and Randy Oram ("**Randy**"). A Companies and Deeds Online ("**CADO**") Detailed Company Information Sheet for Karwood Contracting is attached as **Exhibit "A"**.

4. Karwood Engineering is incorporated under the *NL Corporations Act* with a registered office at Benson Buffett, P.O. Box 1538, Suite 900 Atlantic Place, 215 Water Street, St. John's, Newfoundland and Labrador. I am the sole Director of Karwood Engineering. A CADO Detailed Company Information Sheet for Karwood Engineering is attached as **Exhibit "B"**.
5. Karwood Ontario is incorporated under the *Business Corporations Act* in the Province of Ontario with a registered office at 1429 Topsail Road, Paradise, Newfoundland and Labrador. I am the sole Director of Karwood Ontario. The Company Information Sheet for Karwood Ontario is attached as **Exhibit "C"**.
6. Karwood Design is incorporated under the *Business Corporations Act* in the Province of Ontario with a registered office at 15 Jane Street, Dorchester, Ontario. The directors of the company are me, Alex Chouinard, and Nick Herder. The Company Information Sheet for Karwood Design is attached as **Exhibit "D"**.
7. I own 100% of the issued and outstanding shares of Karwood Contracting, Karwood Engineering, Karwood Ontario and Karwood Design.

B. Overview of Applicants' Business Operations:

8. Since at least 1994, I have been working closely with Hubert Hussey ("**Hubert**"), my father, who is a director and shareholder of an unrelated company, Karwood Estates Inc. ("**Karwood Estates**"). Karwood Estates is a company incorporated under the *NL Corporations Act* whose main business is developing residential, industrial and commercial properties. This company is not a party to these proceedings but is subject to separate CCAA proceedings before the Honorable Supreme Court of Newfoundland and Labrador.
9. The work I did for Hubert fostered my interest in property development. In 1999, I incorporated Karwood Contracting and took the construction work that had previously been

completed by Karwood Estates into Karwood Contracting and thereafter Karwood Contracting effectively acted as the property manager, primary builder, and designer for developments owned by Karwood Estates.

10. The objective of Karwood Contracting was and has always been to develop affordable, accessible and energy-efficient properties. Over the years, we have built properties that are up to fifty percent more energy efficient than our competitors. In 2003 Karwood Contracting was awarded an Energy Efficient Recognition Award for outstanding contributions to the research & implementation of energy efficient technology in construction. In 2005, 2006 and 2007 Karwood Contracting won an award with R-2000 for achieving multiple sales of R-2000 residential properties.
11. Randy has twenty-five (25) years of experience in land development, building and construction. I have over thirty (30) years of experience in land development and have invested many years in helping the industry through my volunteer work. For twenty-six (26) years I have served as a volunteer at the Canadian Home Builders Association of Newfoundland and Labrador, including as Provincial President, on the National Committee as a Chairman for the education committee, and the national treasurer for two (2) years. I was on the Board of Atlantic Home Warranty for nine (9) years and was Chair for two (2) years, where I helped provide continuing education to foster excellence in new home construction and renovation.
12. In 2013, I incorporated Karwood Engineering. The objective was for this company to deal with design, detailing and planning for Karwood Contracting and other related entities in Newfoundland and Labrador offering modern designs that are energy efficient.
13. In seeking opportunities for expansion in design work, Karwood Design was incorporated in Ontario in 2018. The objective was for Karwood Design to produce design work to the same exceptional standards as Karwood Engineering. The plan was to rotate key personnel with expertise in Karwood Engineering to teach new employees in Ontario until such a time as the outstanding standard of work that was being executed in Newfoundland and Labrador was being executed in Ontario. Despite the initial optimism, the business strategy failed due to unprecedented disruption caused by the Covid-19 Pandemic.

14. Similar to the above, Karwood Ontario was supposed to be the Ontario equivalent of Karwood Contracting, building homes designed by Karwood Design on subdivision lots to be purchased by Karwood Ontario and/or held by local developers similar to the projects Karwood Contracting had previously done with Karwood Estates in Newfoundland and Labrador.
15. While Karwood Contracting is the primary holder of the assets and liabilities relevant to this proceeding, a restructuring will not be successful if Karwood Engineering, Karwood Ontario, and Karwood Design are not included in the CCAA proceedings together. The Applicants are cross collateralized under certain debt instruments and have been named as co-defendants in many unsecured claims relating to construction projects in Ontario and Newfoundland and Labrador.
16. A comprehensive list of Karwood Contracting, Karwood Engineering, Karwood Design and Karwood Ontario' respective assets are set out below.

C. Applicants' Economic Contribution to Newfoundland and Labrador and Ontario:

17. The Applicants provide direct or indirect employment to approximately 119 individuals and subcontractors annually, as follows:
18. As of the date hereof, the Applicants through Karwood Contracting directly employ ten (10) individuals. The Applicants directly employ seven (7) individuals through Karwood Engineering and two (2) individuals through Karwood Ontario.
19. In addition, the Applicants' contract annually with over one hundred (100) independent subcontractors, including various skilled tradespeople and engineers. As with the full-time employees, the Applicants (together with Karwood Engineering) expect that the number of subcontractors will increase significantly following successful restructuring.
20. The Applicants pay municipal and provincial property taxes upwards of \$100,000.00

annually based on the 2022 and 2023 Financial Statements. The 2024 year-end statements are pending.

21. The Applicants' activities also support local suppliers, contractors, and other small to medium-sized businesses.
22. The Applicants' combined employees and independent contractors largely reside in Newfoundland and Labrador, pay taxes here, and employ further subtrades and support other businesses operating within the province.
23. This cumulatively results in additional substantial tax revenue to the provincial government and the various municipalities in which the Applicants operate.

II. ASSETS AND LIABILITIES

24. Management is in the process of updating the internal financials for each of the Applicants. Where possible in the section below, I have provided current financial information with respect to the assets and liabilities for each of the Applicants. The most recent externally prepared financial statements for Karwood Contracting and Karwood Ontario, the primary operating entities in Newfoundland and Labrador and Ontario, respectively, was completed for the year ended March 31, 2023. The most recent externally prepared financial statements for Karwood Engineering were for the year ended March 31, 2022, and external financial statements were never prepared for Karwood Design.

A. KARWOOD CONTRACTING

25. A copy of the Financial Statements for Karwood Contracting financial year ended 2022 and 2023 are attached as **Exhibit "E"** (the "**Karwood Contracting FS**"). The Karwood Contracting FS were prepared by Pike & Associates, Chartered Professional Accountants in accordance with Canadian Generally Accepted Accounting Standards for such engagements.

26. According to Karwood Contracting FS, the company had a net loss of \$1,098,317 in 2022 and a net loss of \$335,357 in 2023. In both statements the interest rate increases have had a significant impact given the amount of debt involved.

27. Below is a summary of Karwood Contracting key assets and liabilities:

i. Assets

28. Karwood Contracting's assets consist primarily of land developments which are in various stages of development and sale. These include the following:

Municipal Address	Community	Residential/ Commercial
Land Kenmount Road	Paradise, NL	Commercial
55 Silver Birch Cres.	Paradise, NL - Kenmount Rd.	Residential
59 Silver Birch	Paradise, NL - Kenmount Rd.	Residential
61 Silver Birch	Paradise, NL - Kenmount Rd.	Residential
63 Silver Birch	Paradise, NL - Kenmount Rd.	Residential
70 Silver Birch	Paradise, NL - Kenmount Rd.	Residential
41 Yellow Wood Drive	Paradise, NL- Kenmount Road	Residential
Tolt Road Land	Tolt Road, Portugal Cove, St. Philips, NL	Residential
146 Ladysmith Dr.	St. John's, NL	Residential

29. Karwood Contracting has 100 issued shares in 81502 Newfoundland and Labrador Ltd. ("81502 NL"). 81502 NL owns a building on Kenmount Road, Paradise, NL which is currently valued in the region of \$3,000,000.00. However, the company is indebted to Moskowitz Capital Mortgage Fund II Inc. pursuant to a mortgage registered against the property. The mortgage secures an indebtedness of approximately \$2,700,000.00.

30. Karwood Contracting also has significant amounts on deposit for development purposes, which are currently being reviewed and calculated. These are estimated to be \$116,000.00.

31. The total book value of Karwood Contracting real estate assets including land and work in progress (“WIP”) is approximately 2,500,000.00 based on internal statements. This value may increase due to municipal zoning changes on vacant land.
32. I am not aware of any regulatory, environmental or other concern affecting Karwood Contracting properties.

Other assets

33. The other significant assets of Karwood Contracting include accounts receivable (“AR”) of approximately \$1,228,284.00 based on the 2023 Financial Statements.
34. Karwood Contracting also has a significant claim for improvements to land at Kenmount Road, owned by Karwood Estates, in the region of \$1,300,000.00 for which a mechanics lien has been filed with the Registry of Deeds for the Province of Newfoundland and Labrador.

ii. Liabilities

Secured Liabilities

35. The creditors holding security interests over Karwood Contracting properties are as follows:

Creditor/Mortgagee	Land Charged	Priority Status	Amount Owed
Boreal Atlantic Ltd.	Parcel A Kenmount Road	TBD	
Bank of Montreal	55 Silver Birch Crescent 59 Silver Birch Crescent 61 Silver Birch Crescent 63 Silver Birch Crescent 70 Silver Birch Crescent 41 Yellow Wood Drive	TBD;	

Randy and Tammy Oram	61 Silver Birch 63 Silver Birch	TBD;	
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36. The creditors holding security interests in the personal property of Karwood Contracting are, by order of registration:

PPSA Registered Creditor	Collateral Charged	Priority
Moskowitz Capital Mortgage Fund II Inc.	A security interest is taken in all present and after-acquired personal property of the Debtor and proceeds thereof.	2 nd
Bank of Montreal	General collateral and all accessions thereto Motor vehicles	3 rd
Steelcase Financial Services Ltd.	All furniture leased or financed from Steelcase financial services limited including but not limited to the items set forth in master lease agreement no.36982 and any master lease equipment schedules including proceeds.	Purchase Money Security Interest ("PMSI")
Ford Credit Canada Company	Motor vehicle financing.	PMSI

Unsecured liabilities

37. The aged accounts payable to unsecured creditors and trade suppliers are approximately \$2,200,000.00. The current numbers are currently being tallied by Karwood Contracting with the assistance of counsel.
38. Karwood Contracting has a few loans that are not secured against property including the following:
- i. Moore Holdings Limited: \$650,000.00
 - ii. Ann-Jeannette Hussey: \$350,000.00
 - iii. Tanya Counti: \$123,000.00
 - iv. Sara Teare: \$350,000.00

v. Royal Bank of Canada: \$10,500.00

39. Karwood Contracting owes approximately \$350,000.00 in HST, \$96,015.31 in unremitted source deductions and approximately \$6,000.00 to Workplace NL.

B. KARWOOD ENGINEERING

40. A copy of the Financial Statements for Karwood Engineering financial year ended 2021 and 2022 are attached as **Exhibit "F"** (the "**Karwood Engineering FS**"). The Karwood Engineering FS were prepared by Roger Coombs & Associates, Professional Corp in accordance with Canadian Generally Accepted Accounting Standards for such engagements.

41. According to the Karwood Engineering FS, the company had a net loss of \$22,702 and in 2021 a net loss of \$5,052 in 2022. The accounts payable for Karwood Engineering have directly affected the Applicants' cash flow.

iii. Assets

42. Karwood Engineering has minimal physical assets.

43. Based on Karwood Engineering FS, the financial situation has deteriorated significantly due to the substantial accumulation of accounts payable and liabilities to related parties. The inability to settle outstanding debts has pushed Karwood Engineering finances to the brink. Karwood Engineering further relied on Karwood Contracting as source of revenue, unfortunately Karwood Contracting projects stalled for reasons mentioned below.

Other assets

44. The account receivables of Karwood Engineering are approximately \$333,000.00.

iv. Liabilities

Unsecured liabilities

45. The aged accounts payable to unsecured creditors and trade suppliers total approximately \$99,000.00 as of May 2023. The current numbers are currently being tallied by with the assistance of counsel.
46. Karwood Engineering is current in its payment of corporate income taxes and in its filing of corporate tax returns. Karwood Engineering owes approximately \$98,859.00 on account of source deductions and the records indicate it is current on its HST.

C. KARWOOD ONTARIO

47. Karwood Ontario Financial Statements (“**Karwood Ontario FS**”) show that its assets exceed liabilities at the end of the 2023 fiscal year. A copy of Karwood Ontario FS for the year ended 2022 and 2023 is attached as **Exhibit “G”**. The Karwood Ontario **FS** was prepared by Roger Coombs & Associates, Professional Corp in accordance with Canadian Generally Accepted Accounting Standards for such engagements.

48. Karwood Ontario’s assets exceed the value of liabilities due to cash flows from operating activities and work in progress. Below is a summary of key assets and liabilities:

i. Assets

49. Karwood Ontario’s assets consist primarily of land developments which are in various stages of development and sale. These include the following:

Municipal Adress	Community	Commercial/Residential
35 Honey Bend	St. Thomas	Residential
236 West Street	Central Elgin	Residential

50. In addition to the foregoing, Karwood Ontario has assets in the form of accounts receivable, with approximately \$525,000 in deposits with Tarion Home warranty insurance, \$172,000

deposit on a subdivision, and lien amount against another project with Doug Tarry Homes Ltd. (“DTL”) in the amount of approximately \$4,000,000.00.

ii. Liabilities

Secured Liabilities

51. The creditors holding security interests over Karwood Ontario are as follows:

Creditor/Mortgagee	Land Charged	Priority Status
Libro Credit Union Ltd.	236 West Street (\$435,000.00) 35 Honey Bend (\$741,000.00)	TBD;

52. Karwood Ontario Leased equipment consists of the following:

Leasing Provider/Lessor	Lessee	Equipment
Axiom Leasing Inc.	Karwood Ontario	John Deere 1025R and a John Deere 47” Snowblower

53. The creditors holding security interests in the personal property of Karwood Ontario are, by order of registration:

PPSA Registered Creditor	Collateral Charged	Priority
Libro Credit Union Ltd.	General assignment of rents in connection with or arising out of the ownership of the property described as 236 West St, Belmont.	1st
Moskowitz Capital Mortgage Fund II Inc.	A security interest is taken in all the Debtor's present and after acquired personal property and proceeds thereof.	2 nd
BMW Canada inc.	Serial Numbered Collateral as per lease	1 st (MV)
Royal Bank of Canada	Serial numbered collateral as per lease.	1 st (MV)

Unsecured liabilities

54. The aged accounts payable to unsecured creditors is approximately \$2,600,000.00
55. Karwood Ontario owes approximately \$176,100.00 on account of HST and \$29,705.49 in unremitted income deductions.

D. KARWOOD DESIGN

56. A copy of the internally prepared Income/Financial Statements for Karwood Design financial year ended 2022 and 2023 are attached as **Exhibit "H"** (the "**Karwood Design FS**").

i. Assets

57. Karwood Design has no assets.

ii. Liabilities

Secured Liabilities

58. There are no creditors holding security interests in Karwood Design.

Unsecured liabilities

59. Karwood Design owes approximately \$25,509.76 to unsecured creditors for unpaid professional fees. This number is being reviewed to confirm if it is still outstanding.
60. Karwood Design does not owe any HST.

III. CURRENT CASH POSITION AND 13-WEEK CASHFLOW FORECAST

61. The Applicants have no meaningful credit available under their current facilities. The

Applicants are unsustainably operating, with no ability to satisfy creditors absent a restructuring.

62. A 13-week cashflow forecast for the Applicants is attached as Exhibit "I" (the "**13-Week Cashflow Forecast**"). The 13-Week Cashflow Forecast was prepared by the Applicants with the assistance of BDO Canada Limited ("**BDO**" or the "**Proposed Monitor**"). As appears from the 13-Week Cashflow Forecast, the Applicants will require total cash injections of \$1,000,000.00 over the next 13-week period to sustain their operations and attempt a restructuring, this does not include a calculation for interest and fees.
63. The notes in the 13-Week Cashflow speak to the importance of continuing the development at Yellowwood Phase 4, which will take two months to prepare and an additional month to undertake sales. The cash injections required will support the completion of this development which it is anticipated will generate positive income for the Estate during the CCAA period.

IV. REASONS FOR INSOLVENCY

64. The Applicants are insolvent. Their liabilities exceed the value of their assets, and they are unable to meet their obligations as they become due without an injection of capital.

A. Covid-19:

65. The Applicants' insolvency was driven by multiple factors that include unfavorable third-party actions. The Applicants have also faced significant operational challenges and effects associated with the COVID 19 pandemic, including the interim slowdown of business activities, rising interest rates, and aggressive lender behavior.
66. The goal, for Karwood Ontario and Karwood Design, was to get employees with expertise from Karwood Contracting and Karwood Engineering, which are based in Newfoundland and Labrador to travel to Ontario and transfer knowledge to modern design and detail engineering. The unexpected turn of events with government-imposed lockdown, and travel restrictions during the Covid-19 pandemic could not have been reasonably foreseen. This

directly affected the business strategy.

67. For work that was available, Applicants experienced difficulties in completing construction projects due to reasons beyond their control. Most of the contracts with clients were signed pre-covid using pre-covid amounts. Unfortunately, for the Applicants, there was a surge in demand for certain building materials which resulted in shortages. The increased cost and decreased revenue led to project delays. These delays and cost overruns resulted in significant losses for the Applicants, which further exacerbated their financial difficulties.

B. Subdivision Approval Delays:

68. The Applicants faced challenges with delays in subdivision approval. Private financing was no longer available at the time they got approvals yet the timeline for the subdivision buy in was extremely short. In trying to deal with the financial difficulties, they entered into a loan agreement with A- Team Realty (“**ATR**”) for \$600,000. The interest rate for the loan was 86%. While this interest rate was exorbitant, the Applicants had no alternatives, they were driven by a need to fulfil the undertakings made with clients in contracts. The ATR used pressure from the loan it advanced to the company to sell more homes to both third parties and agents in their office beyond Karwood Ontario’s capacity.

C. Ontario Litigation:

69. In addition to these operational challenges with, the Applicants have also been faced with frivolous demands where Karwood Ontario and Karwood Engineering have been cited in Ontario court proceedings. Many Court proceedings have commenced naming Karwood Contracting as a defendant notwithstanding Karwood Contracting does not work in Ontario. The cost of defending these claims, even to have claims struck from the record, has been significant.
70. These demands have not only diverted valuable management time and resources away from the business operations but have also increased the legal and other costs. The Applicants had to settle \$718,000.00 into court to have a subdivision released from a lien where AEON had done work worth only \$50,000.00. but due to delays beyond the Applicant’s control, the whole subdivision was placed under a lien and lots could not be sold

without a release.

71. In a bid to recover, post Covid, a business consultant was contracted to bring a fresh perspective and to help with business strategy in Ontario. The business consultant offered the companies inside information to one of the biggest clients which he sat on the Board undermining any business strategies. He also hired inexperienced employees which had a significant impact on revenue.
72. Karwood Design's strategy for tiny homes committed to building tiny homes that foster community, and a sense of belonging resulted in loss of about \$120,000.00 in employment hours as the invoice was unpaid.
73. In addition to the foregoing, Karwood Ontario was involved in a multi-unit construction project with DTL, described in paragraph 40 above, where DTL refused to pay Karwood for various cost overruns and other claims. As a result, Karwood Ontario holds a lien over the DTL property in an amount of approximately \$4,000,000.00.

D. Delays in Newfoundland and Labrador Permits:

74. In addition to the foregoing, there were delays on permits for a project on Kenmount Terrace that was supposed to alleviate some of the financial hardships. Further to that, the government, which had offered \$91,000.00 for land to build a school went back on its offer. The delay in getting permits coupled with the refusal by Karwood Contracting to settle for an offer from the government that would result in a loss, caused Karwood Contracting to be sued for breach of contract on one hand by a developer and a threat of expropriation by the government on the other.

E. Stolen Property:

75. Further, the Applicants lost \$250,000.00 in gym equipment to Ignite Health and Fitness Limited ("**Ignite**") after a purchase agreement fell through on 1108 Kenmount Road. Ignite vacated the building with Karwood Contracting gym equipment that was held under 81502

NL. This resulted in a significant loss.

F. Lender Demands:

76. In addition to the foregoing, Boreal Atlantic Ltd. has issued demands and/or notices and threatened legal action. These demands have diverted the Applicants' attention and resources away from core operations.
77. In the past months, the Applicants have received several demand letters from equipment lenders and clients. A search of the Judgement Enforcement Registry of Newfoundland and Labrador shows six results for outstanding amounts totaling approximately \$265,001.82.

G. Rising Cost of Supplies:

78. A severe inflation in supply costs. Some essential supplies cost as much as four times more than they did before the pandemic, yet most of our contracts are fixed-price contracts, meaning that the Applicants suffer the risks and losses of rising costs.
79. The Karwood Contracting FS and Karwood Engineering FS clearly show the rising costs and lack of profits from 2022 to 2023. The Karwood Ontario FS shows that the price of supplies and cost of wages have increased, resulting in its gross profit margin of approximately \$833,193 for 2022 and \$2,113,276 for 2023. While there has been an increase in gross profit over the year, the amount is insufficient to cover any debts. Further, given the rising interest rates, the lots are not able to be sold at high enough margins to support the existing debt. This has been compounded by the inability to obtain consent and/or releases from existing lenders on lots that can be sold, albeit, under initial price expectations.
80. Karwood Contracting is working to stabilize margins and improve profitability in the long term, in the interest of all stakeholders.
81. Enforcement would lead to a liquidation of the Applicants' assets and destroy the value of the Applicants' goodwill and going-concern business, which should be preserved for the benefit of all stakeholders. The Applicants require a stay of proceedings to provide us with

the breathing room necessary to formulate a restructuring plan.

82. The long-term value of the Applicants' business is much higher as a going-concern than in liquidation, especially for stakeholders who do not have the benefit of security interests and stand to lose the most.
83. Each key contributor is discussed below, along with the steps that the Applicants have taken and intend to take during the CCAA proceedings to mitigate those challenges.
84. Many industries continue to suffer from high interest rates following the Covid-19 pandemic, which is particularly acute for developers holding large land portfolios that are financed on floating interest rates. Our company is no exception.
85. While this situation is unsustainable, it will resolve itself in the mid- to long-term as we bring jobs to completion, provided the Applicants are given the tools to "weather the storm" and preserve their going-concern business. We have recently had significant interest in a number of real property sales, and several purchase and sale agreements are currently under negotiation.

V. PROPOSED RESTRUCTURING PLAN AND URGENT RELIEF

86. As mentioned above, the Applicants are working with the Proposed Monitor and counsel, to formulate a restructuring plan. The preferred approach is to sale assets of the Applicants through to take care of secured creditors and to continue with pending work through various projects, as a going concern to pay unsecured creditors. Following the sale of the current properties, it is expected that a proposal will be made to the creditors (both secured and unsecured) and if the proposal is successful, Karwood Contracting Ltd. would carry on with a pared down and leaner operation focusing on the Newfoundland and Labrador market. This pared down operation will require some consolidation with existing staff in Ontario and a reorganization of the companies retained assets and contracts.
87. The Applicants need urgent relief under the CCAA for the following key reasons:

- (a) the Applicants' secured creditors have stated their intent to enforce their security, which could lead to liquidation and destroy value for all other stakeholders;
 - (b) the Applicants require a stay of proceedings that includes a stay of secured claims in order to afford them the breathing room necessary to formulate a restructuring plan with the assistance of the Proposed Monitor; and
 - (c) the Applicants require professional assistance, including the Applicants' counsel, the Proposed Monitor, and the Proposed Monitor's counsel, which, in the circumstances, requires a court-ordered administration charge.
88. Our management team has consulted with professionals, considered the available options, and concluded that filing for CCAA relief is the most appropriate process to protect the business as a going-concern to maximize value for stakeholders, including creditors, employees, suppliers, present and future customers, and the local and regional communities.
89. The Applicants therefore make this application for an Initial Order under the CCAA. A draft of the proposed Initial Order is included at **Schedule "B"** (the "**Initial Order**"). The proposed Initial Order, among other things:
- (a) stays all proceedings in respect of the Applicants, their business, their property, their directors and officers, or the Monitor, for an initial 10-day period up to and including 07 February 2025 (the "**Stay Period**");
 - (b) appoints BDO as Monitor to the Applicants under the CCAA;
 - (c) grants a prior-ranking charge over the Applicants' property being a charge securing the fees and disbursements of the professionals, including the Applicants' counsel, the proposed Monitor, and the proposed Monitor's counsel, to a maximum amount during the ten (10) day period of \$100,000.00 (the "**Interim Administration Charge**");

(d) entitles but does not require the Applicants to pay amounts owing for goods and services supplied to the Applicants, whether incurred prior to or after the Initial Order, if in the opinion of the Monitor, the supplier or vendor of such goods or services is necessary for the operation and preservation of the business or property of the Applicants.

90. The proposed Initial Order is limited to relief that is necessary to preserve the Applicants' business as a going concern during the initial 10-day Stay Period. At the comeback hearing, the Applicants intend to seek an order which, among other things, extends the Stay Period by 180 days and increase the Administration Charge and seek a DIP Lender's Charge to \$250,000.00 and \$1,000,000.00 respectively.

VI. CLAIMS PROCESS:

91. Attached hereto as **Exhibit "J"** is a list of current ongoing Court proceedings that involve the Applicants either in Ontario or in Newfoundland and Labrador. Most of these are debt claims from alleged unsecured creditors, and many of them have valid contractual and other defenses. Given the nature of the Applicants assets, a number of these claims will overlap and affect the same assets, debts and or security across the application group. In the context of the CCAA proceedings the Applicants will be seeking a claims process to fairly and efficiently deal with these various claims.

VII. FINANCING DURING THE CCAA PROCEEDINGS

92. The Applicants are seeking a debtor-in-possession ("**DIP**") facility in the maximum amount of \$1,000,000.00 and expects to have a DIP Term Sheet in hand before the 10-day comeback hearing.

93. The DIP Facility will allow the Applicants to meet their financing needs during the restructuring period in accordance with the 13-Week Cashflow Forecast and will allow a restructuring in the interest of all stakeholders.

VIII. AVENUES OF RESTRUCTURING BEING CONSIDERED

94. The Applicants have been evaluating potential restructuring options for the last several weeks. We are considering multiple restructuring avenues including selling all the properties that are under construction to pay secured creditors in full, refinance any properties that are left and earn construction fees to pay unsecured creditors.
95. The Applicants will use the opportunity afforded by these CCAA proceedings to continue to work in good faith and with due diligence on a restructuring plan with the assistance and oversight of the Proposed Monitor. The Applicants will consult with creditors and stakeholders throughout to determine the restructuring option that best maximizes value.
96. Any unsecured creditors who wish to assert against the Applicants, will file with the Proposed Monitor. Information regarding the claims process, including the deadline for filing claims will be given in a separate notice to creditors.

IX. RELIEF SOUGHT

97. I am informed by counsel that the Initial Order is in substantial accordance with the Newfoundland and Labrador model CCAA initial order.

A. Appointment of BDO as Monitor:

98. The Applicants have engaged the Proposed Monitor to act during these CCAA proceedings. The Proposed Monitor is a well-recognized licensed insolvency trustee firm with substantial CCAA experience in Canada. The Proposed Monitor is also a leading business consulting firm who will provide valuable advice to the Applicants during the restructuring process.
99. The Proposed Monitor has consented to act as Monitor if the Court grants the Initial Order.
100. The Applicants believe that the involvement of the Monitor as an officer of this Court will lend stability and assurance to the Applicants' stakeholders.

B. Stay of Proceedings:

101. The Applicants seek a stay of proceedings, in respect of secured parties, to allow them the

breathing room necessary to develop and implement a viable restructuring plan.

102. The long-term value of the Applicants and their business is much higher as a going-concern than in a liquidation, especially for stakeholders who do not have the benefit of security interests and stand to lose the most – employees, contractors, customers, suppliers, their communities, and the Provincial government.
103. The Applicants intend to avoid a pure liquidation scenario and instead will complete and sell existing projects, continue to seek new contracts during the restructuring period to continue and increase cashflow to make a viable proposal, and to right size its business focusing on the Newfoundland and Labrador market.
104. Under a stay of proceedings, with the assistance and oversight of the Monitor, the Applicants will work in good faith and with due diligence towards a restructuring plan that preserves the going-concern nature of the business in the interest of all stakeholders.

C. Charges:

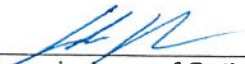
105. The Applicants seek only one charge in the proposed Initial Order being the Interim Administrative Charge. The Applicants propose that the Interim Administrative Charge constitute a charge on all of the Applicants' assets, property and undertaking. The Applicants further propose that the Charge rank in priority to all other Encumbrances (as defined in the draft Initial Order).
106. The quantum of the Charge is limited to the relief necessary to protect the going-concern nature of the business during the initial 10-day Stay Period, in accordance with, among other things, the 13-Week Cashflow Forecast as well as the advice of the Proposed Monitor and the Applicants' counsel.
107. The Applicants propose that payment of the fees and expenses of the Monitor, its counsel, and the Applicants' counsel be secured under the Initial Administration Charge, up to an initial maximum amount of \$100,000.00.

108. The restructuring of the Applicants will require the involvement of the Monitor and legal counsel to the Monitor and Applicants. The initial quantum of the Initial Administration Charge is fair and reasonable in the circumstances. It is commensurate with the complexity of the Applicants' business and anticipated restructuring.
109. The Applicants have incurred significant professional fees leading up to the filing. They will continue to incur professional costs to obtain the professional assistance and support they need to implement restructuring options in compliance with all applicable accounting standards and legal requirements.
110. There is no unwarranted duplication of roles. The professionals whose compensation is to be secured by the Initial Administration Charge have contributed, and will continue to contribute, to the restructuring of the Applicants.
111. As more fully appears from the 13-Week Cashflow Forecast, the Applicants will require an injection of approximately \$500,000.00 by way of interim financing over the next 13-week period in order to meet their normal course of business obligations as they generally become due. There is nothing forecast to be required during the initial 10-day Stay Period.

D. Ability to pay certain pre-filing amounts with the consent of the Monitor:

112. The Initial Order contains a provision that entitles but does not require the Applicants to pay, with the consent of the Monitor, amounts owing for essential goods or services supplied prior to the Initial Order. The Initial Order provides that the Applicants may only make such payments if necessary to avoid business disruption during the restructuring.
113. I believe that this provision is needed to provide the Applicants with the flexibility necessary to avoid major disruptions to its business, which would impair cash flow and restructuring efforts.
114. This Affidavit is sworn in respect of the Applicants' application for an Initial Order under the CCAA, and for no other purpose.

SWORN TO at St. John's, Newfoundland)
and Labrador, this 27 day of Jan 2025,)
before me:)



A Commissioner of Oaths, being a Solicitor)

Adam G. Baker
Barrister (NL)



GREGORY HUSSEY

This is Exhibit A to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and Nova Scotia~~

EXHIBIT "A"

Detailed Company Information

Company Name: KARWOOD CONTRACTING LTD.

In Good Standing

Company Number:	68337	Corporation Type:	Company
Status:	Active	Category:	Local
Last Annual Return:	2024-07-31	Business Type:	With Share Capital
Incorporation Jurisdiction:	NL	Filing Type:	Amalgamation
Incorporation Date:	2012-08-31	Min/Max Directors:	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:
4129 D Topsail Road
Paradise
NL Canada
A1L 1H6

Mailing Address:
1108 Kenmount Road Unit 203
Paradise
NL Canada
A1L 1N3

Obtain a Certificate of Good Standing (Fee \$10.00)

[Return](#)

[\[Previous Names\]](#)

[\[Amalgamated Information\]](#)

[\[Current Directors\]](#)

[\[Historical Remarks\]](#)

Amalgamated Information

Name	Number
From: Karwood Contracting Ltd.	42440
From: 11206 Newfoundland Limited	46897

Current Directors

Records Found: 2

Viewing Records: 1-2

Director Name

Gregory Hussey

Randy Oram

[▲ Return to top](#)

This is Exhibit B to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and New Brunswick~~

EXHIBIT "B"

Detailed Company Information

Company Name: KARWOOD ENGINEERING INC.

In Good Standing

Company Number:	70554	Corporation Type:	Company
Status:	Active	Category:	Local
Last Annual Return:	2024-06-30	Business Type:	With Share Capital
Incorporation Jurisdiction:	NL	Filing Type:	Incorporation With Share Capital
Incorporation Date:	2013-07-18	Min/Max Directors:	1 / 5

Additional Information:

(Latest addresses on file)

Registered Office:
Benson Buffett
P.O. Box 1538
Suite 900 Atlantic Place
215 Water Street
St. John's
NL Canada
A1C 5N8

Mailing Address:
1108 Kenmount Road Unit 203
1108 Kenmount Road Unit 203
Paradise
NL Canada
A1L 1N3

[Obtain a Certificate of Good Standing \(Fee \\$10.00\)](#)

Print

Return

[\[Previous Names\]](#) [\[Amalgamated Information\]](#) [\[Current Directors\]](#) [\[Documents\]](#) [\[Historical Remarks\]](#)

Previous Names

Name	Date Changed
70554 NEWFOUNDLAND & LABRADOR INC.	2013-09-09

Current Directors

Records Found: 1

Viewing Records: 1-1

Director Name


Greg Hussey

Previous Directors

Documents

Records Found: 18

Viewing Records: 1-10

Document Type	Date Registered	Document Status	View
Annual Return (With Share Capital) (2024-06-30)	2024-11-28	Processed	
Annual Return (With Share Capital) (2023-06-30)	2023-12-13	Processed	
Annual Return (With Share Capital) (2022-06-30)	2022-07-06	Processed	
Annual Return (With Share Capital) (2021-06-30)	2021-08-17	Processed	
Annual Return (With Share Capital) (2020-06-30)	2021-08-17	Processed	
Notice Of Directors	2020-09-15	Verified	

<u>Letter - Notification of Outstanding Issue</u>	2020-07-20	Processed
<u>Annual Return (With Share Capital) (2019-06-30)</u>	2019-11-26	Processed
<u>Annual Return (With Share Capital) (2018-06-30)</u>	2018-07-10	Processed
<u>Annual Return (With Share Capital) (2017-06-30)</u>	2017-08-15	Processed



[<< First](#) [< Previous](#) [Next >](#) [Last >>](#)

[▲ Return to top](#)

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This is Exhibit C to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador and ~~Nova Scotia~~

EXHIBIT "C"



Profile Report

KARWOOD ONTARIO LTD. as of January 24, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	KARWOOD ONTARIO LTD.
Ontario Corporation Number (OCN)	2655965
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 19, 2018
Registered or Head Office Address	1429 Topsail Road, Paradise, Newfoundland and Labrador, A1L 1H6, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report.

Additional historical information may exist in paper or microfiche format.

Minimum Number of Directors 1
Maximum Number of Directors 4

Active Director(s)
Name GREG HUSSEY
Address for Service 1429d Topsail Road, Paradise, Newfoundland and Labrador,
A1L 1H6, Canada
Resident Canadian Yes
Date Began September 19, 2018

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name
Position
Address for Service

GREG HUSSEY
President
1429d Topsail Road, Paradise, Newfoundland and Labrador,
A1L 1H6, Canada
September 19, 2018

Date Began

Name
Position
Address for Service

RANDY ORAM
Vice-President
14 Old Topsail Hill, Conception Bay South, Newfoundland
and Labrador, A1W 5W6, Canada
October 21, 2020

Date Began

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Corporate Name History
Name
Effective Date

KARWOOD ONTARIO LTD.
September 19, 2018

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V. Quintanilla W.

Director/Registrar

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Additional historical information may exist in paper or microfiche format.

Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Additional historical information may exist in paper or microfiche format.

Expired or Cancelled Business Names

This corporation does not have any expired or cancelled business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Document List

Filing Name	Effective Date
Archive Document Package	December 21, 2022
Annual Return - 2021 PAF: GREG HUSSEY - DIRECTOR	May 16, 2021
CIA - Notice of Change PAF: GREG HUSSEY - DIRECTOR	January 14, 2021
Annual Return - 2020 PAF: GREG HUSSEY - DIRECTOR	December 27, 2020
CIA - Notice of Change PAF: MARK THOMAS COOMBES - OTHER	January 24, 2020
CIA - Notice of Change PAF: GREG HUSSEY - DIRECTOR	February 28, 2019
CIA - Initial Return PAF: GREG HUSSEY - DIRECTOR	December 05, 2018
BCA - Articles of Incorporation	September 19, 2018

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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This is Exhibit 2 to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.

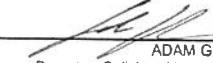

ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador and ~~New Brunswick~~

EXHIBIT "D"



Profile Report

KARWOOD DESIGN GROUP LTD. as of January 24, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	KARWOOD DESIGN GROUP LTD.
Ontario Corporation Number (OCN)	2716702
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	September 16, 2019
Registered or Head Office Address	15 Jane Street, Dorchester, Ontario, N0L 1G2, Canada

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

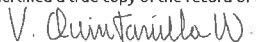
Minimum Number of Directors 1
Maximum Number of Directors 3

Active Director(s)
Name ALEXANDER CHOUINARD
Address for Service 208 Mitchell Court, Dorchester, Ontario, N0L 1G3, Canada
Resident Canadian Yes
Date Began January 01, 2022

Name NICK HERDER
Address for Service 38 Belvedere Street, St. John's, Newfoundland and
Labrador, A1C 3X8, Canada
Resident Canadian Yes
Date Began September 16, 2019

Name GREG HUSSEY
Address for Service 1108 Kenmount Road, Unit 203, Paradise, Newfoundland
and Labrador, A1L 1H6, Canada
Resident Canadian Yes
Date Began September 16, 2019

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.



Director/Registrar

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Active Officer(s)

Name

NICK HERDER

Position

President

Address for Service

38 Belvedere Street, St. John's, Newfoundland and
Labrador, A1C 3X8, Canada

Date Began

September 16, 2019

Name

GREG HUSSEY

Position

Secretary

Address for Service

1108 Kenmount Road, Unit 203, Paradise, Newfoundland
and Labrador, A1L 1N3, Canada

Date Began

September 16, 2019

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Additional historical information may exist in paper or microfiche format.

Corporate Name History

Name

KARWOOD DESIGN GROUP LTD.

Effective Date

October 26, 2021

Previous Name

2716702 ONTARIO LTD.

Effective Date

September 16, 2019

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Active Business Names

This corporation does not have any active business names registered under the Business Names Act in Ontario.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names
Name
Business Identification Number (BIN)
Status
Registration Date
Expired Date

HUMBER DESIGN
291183689
Inactive - Expired
November 05, 2019
November 04, 2024

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Angela CROCKER	January 14, 2022
BCA - Articles of Amendment	October 26, 2021
CIA - Notice of Change PAF: JANE MORGAN - OTHER	April 22, 2020
BCA - Articles of Incorporation	September 16, 2019

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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This is Exhibit E to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.

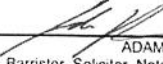

ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and Nova Scotia~~

EXHIBIT "E"

Karwood Contracting Ltd.
Financial Statements
March 31, 2022

(Unaudited)

Karwood Contracting Ltd.

March 31, 2022

CONTENTS

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Independent Practitioners' Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations	4
Statement of Retained Earnings	4
Statement of Cash Flows	6
Notes to the Financial Statements	7

Coombs & Associates

Chartered Professional Accountants

Roger Coombs & Associates
Professional Corporation
Roger K. Coombs, CPA, CA

Independent Practitioners' Review Engagement Report

To the Shareholders
Karwood Contracting Ltd.

We have reviewed the accompanying financial statements of Karwood Contracting Ltd. that comprise the statement of financial position as at March 31, 2022, and the Statements of operations, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

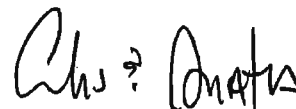
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Karwood Contracting Ltd. as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Chartered Professional Accountants

Location:

27 Bremigens Blvd.
Paradise, NL
A1L 4A2

Ph: (709) 745-1200
(709) 579-1005
Fax: (709) 745-1204

Mailing address:

P.O. Box 447
Mount Pearl, NL
A1N 3C4



Paradise, Newfoundland and Labrador
October 12, 2022

Karwood Contracting Ltd.

Statement of Financial Position
March 31, 2022

(Unaudited)

	2022	2021
Assets		
Current Assets		
Cash	\$ -	\$ 17,867
Accounts receivable, net of allowances	396,822	511,538
Inventory (Note 2)	3,036,290	2,321,252
Work in process (Note 3)	1,059,722	1,400,806
Prepays	36,581	51,977
	4,529,415	4,303,440
Long term accounts receivable	241,365	224,965
Investments (Note 4)	50	50
Property and equipment (Note 5)	225,301	84,492
Due from related parties (Note 13)	-	1,271,014
Work in progress - commercial	1,628,689	1,948,117
	\$ 6,624,820	\$ 7,832,078

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Financial Position
March 31, 2022

(Unaudited)

	2022	2021
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness (Note 6)	\$ 20,339	\$ -
Accounts payable and accrued liabilities (Note 8)	1,935,464	2,407,571
Corporate income taxes payable	-	3,063
Due to shareholders (Note 13)	87,667	20,857
Due to companies controlled by immediate family member	560,287	874,141
Deferred revenue	67,134	-
Due to related parties (Note 13)	191,492	-
Current portion of long term debt (Note 9)	5,123	7,597
Current portion of obligations under capital lease (Note 10)	20,211	-
	2,887,717	3,313,229
Callable debt (Note 7)	4,288,136	3,998,443
	7,175,853	7,311,672
Long term debt (Note 9)	75,118	80,241
Obligations under capital lease (Note 10)	32,001	-
Due to immediate family member	300,000	300,000
Due to director (Note 13)	62,315	62,315
	7,645,287	7,754,228
Equity		
Share capital (Note 11)	200	200
(Deficit) retained earnings	(1,020,667)	77,650
	(1,020,467)	77,850
	\$ 6,624,820	\$ 7,832,078

Approved on Behalf of the Board:

_____, Director

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Operations
For the Year Ended March 31, 2022

(Unaudited)

	2022	2021
Revenue		
Sales	\$ 5,799,396	\$ 6,206,830
Rental income	-	1,450
	5,799,396	6,208,280
Cost of goods sold	5,374,992	6,313,768
	424,404	(105,488)
Operating expenses		
Bank charges	310,870	356,654
Salaries and wages	158,477	131,872
Office expenses	76,316	66,036
Insurance	56,631	49,466
Vehicle	48,721	47,889
Rent	45,324	27,502
Professional fees	38,391	48,542
Depreciation	36,769	23,507
Utilities	17,352	11,423
Advertising and promotion	7,575	1,809
Travel expenses	4,535	5,060
Supplies	3,222	876
Interest on long term debt	1,381	949
Other operating expenses	375	5,515
Repairs and maintenance	135	135
	806,074	777,235
Loss from operations	(381,670)	(882,723)
Loss on disposal of property and equipment	(203)	(13,722)
Writedown of intercompany balance (Note 17)	(716,444)	-
Loss before income taxes	(1,098,317)	(896,445)
Income tax recovery	-	(39,561)
Net loss	\$ (1,098,317)	\$ (856,884)

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Retained Earnings
For the Year Ended March 31, 2022

(Unaudited)

	2022	2021
Retained earnings, beginning of year	\$ 77,650	\$ 934,534
Net loss	(1,098,317)	(856,884)
(Deficit) retained earnings, end of year	\$ (1,020,667)	\$ 77,650

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Cash Flows
For the Year Ended March 31, 2022

(Unaudited)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,098,317)	\$ (856,884)
Depreciation	36,769	23,507
Gain (loss) on sale/retirement of property, plant and equipment	203	13,722
	(1,061,345)	(819,655)
Changes in non-cash working capital items:		
Accounts receivable	98,315	415,612
Work in progress	660,512	(25,903)
Inventory	(715,038)	707,853
Prepays	15,396	(38,939)
Accounts payable and accrued liabilities	(472,105)	(1,442,138)
Deferred revenue	67,134	-
Corporate income taxes payable	(3,063)	(39,561)
	(1,410,194)	(1,242,731)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(178,346)	(53,095)
Advance from (to) related parties	1,462,506	(312,510)
Proceeds from sale of property and equipment	565	680,000
	1,284,725	314,395
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from callable debt	1,954,525	4,084,727
Repayment of callable debt	(1,664,832)	(3,190,842)
Advances (to) from company controlled by immediate family member	(313,855)	209,736
Advances from (to) shareholder	66,810	(130,924)
Proceeds from obligations under capital lease	64,002	-
Repayment of long-term debt	(7,597)	37,272
Repayment of obligations under capital lease	(11,790)	-
	87,263	1,009,969
Net (decrease) increase in cash	(38,206)	81,633
Cash (bank indebtedness), beginning of year	17,867	(63,766)
(Bank indebtedness), cash, end of year	\$ (20,339)	\$ 17,867

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies

Nature of business/basis of preparation

The principal business of Karwood Contracting Ltd. is residential and commercial building construction.

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for private enterprises.

Cash and cash equivalents

The company's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity of three months or less at the date of acquisition under cash and cash equivalents.

Inventory

The inventory of residential units available for sale, residential units under construction and land inventory are measured at the lower of cost and net realizable value, with costs being determined on a specific identification basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Property and equipment

Property and equipment is recorded at cost. Depreciation is provided for using various methods over the estimated useful lives as follows for the major classes of assets:

Buildings	10% Declining balance
Vehicles	30% Declining balance
Furniture and fixtures	20% Declining balance
Leasehold improvements	5 years Straight-line
Computer equipment	30% declining balance
Machinery and equipment	20-30% Declining balance
Tools and dies	50% Declining balance

Impairment of long lived assets

In the event that facts and circumstances indicate that the company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The company considers that no circumstances exist that would require such an evaluation.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies continued

Investments

The company accounts for its investments in companies subject to significant influence (those companies in which it holds interests ranging from 20% to 50%) using the equity method. Under this method, the prorata share of the investee's earnings is recorded as income and added to the carrying value of the investment shown on the statement of financial position. Dividends received are considered as a return of capital and are accordingly deducted from the carrying value of the investment. Losses are not recognized in these financial statements when in managements opinion, the carrying value of the investment is not impaired.

Income taxes

The company accounts for income taxes using the taxes payable method. The taxes payable and provision for income taxes are based on the corporate income tax returns filed. There is no adjustment for income taxes related to temporary differences and no recognition of the benefit of income tax losses carried forward.

Financial Instruments

The company considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The company accounts for the following as financial instruments:

- accounts receivable and long term accounts receivable
- due from related parties
- bank indebtedness
- accounts payable and accrued liabilities
- callable debt
- due to shareholder
- due to companies controlled by immediate family member
- due to director
- long term debt
- due to immediate family member

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies continued

Financial instruments continued

A financial asset or liability is recognized when the company becomes party to contractual provisions of the instrument.

Financial assets of liabilities obtained in arm's length transactions are initially measured at their fair market value. In the case of a financial asset or liability not being subsequently measured at fair market value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the company is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The company subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable and due from related parties.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, due to shareholder, due to companies controlled by immediate family member, callable debt, due to a director and long term debt.

The company removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indications of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of the write-downs or reversals are recognized in net income.

Revenue recognition

Revenue for the sale of residential houses and condominiums are recognized when the houses/units are completed and the risks and rewards have been transferred to the purchaser.

Revenue from commercial construction projects is recognized using the percentage of completion method. The percentage of completion is determined by comparing the actual cost of work performed to date to the estimated total cost of the contract. The percentage is applied to the total contract revenue to determine the amount of revenue earned to date. Losses are recognized in the year in which they become apparent.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies continued

Revenue recognition continued

Rental income and management fee revenue are recognized when earned and ultimate collection is reasonably assured.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items subject to management estimates include allowance for doubtful accounts, obsolete inventory provision, work in progress and useful lives of property and equipment. Actual results could differ from those estimates and may have impact on future periods.

2. Inventory

	2022	2021
Land inventory	\$ 3,036,290	\$ 2,321,252

3. Work in progress

	2022	2021
Residential units under construction	\$ 1,059,722	\$ 1,400,806

4. Investments

	2022	2021
81502 Newfoundland and Labrador LTD. - 50% ownership at cost	\$ 50	\$ 50

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

5. Property and equipment

Property and equipment consist of the following:

	Cost	Accumulated Depreciation	2022 Net Book Value	2021 Net Book Value
Buildings	\$ 673	\$ 609	\$ 64	\$ 72
Vehicles	350,617	321,802	28,815	41,191
Furniture and fixtures	32,534	30,586	1,948	2,436
Leasehold improvements	237,293	149,497	87,796	-
Computer equipment	153,299	128,173	25,126	31,414
Machinery and equipment	206,904	125,354	81,550	9,376
Tools and dies	15,796	15,794	2	3
	\$ 997,116	\$ 771,815	\$ 225,301	\$ 84,492

6. Bank indebtedness

The demand operating loan has been authorized by the Bank of Montreal to a maximum of \$150,000 and bears interest at the bank's prime lending rate plus 2.25% per annum and is secured by a general security agreement and an assignment of insurance.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

7. Callable debt

	2022	2021
Moskowiz revolving demand loan bearing interest at prime plus 7.3%. The loan is secured by land owned by the company located at Market Ridge, Lucston and Rosegate as well as personal rental properties of a shareholder.	\$ -	\$ 1,087,325
Moskowiz revolving demand loan bearing interest at prime plus 10.5%. The loan is secured by 947-965 Torbay Road. Loan is callable upon demand. Revolving basis - outstanding balance of the individual construct (pre-sale or spec) to be repaid in full upon sale.	850,000	780,849
Bank of Montreal revolving demand loan bearing interest at prime plus 2%. The loan is secured by specific lots. Loan is callable upon demand. Revolving basis - outstanding balance of individual construct (presale and/or spec) to be repaid full upon sale.	224,346	572,824
Moskowiz Capital Mortgage Fund II Inc. loan bearing interest at 9.9%. The loan is secured by a first mortgage on land at 166 Park Avenue, Mount Pearl. The loan is callable upon demand and repaid upon the sale of the respective property.	450,000	450,000
Bank of Montreal non-revolving demand loan bearing interest at prime plus 2%. The loan is secured by 11 residential building lots located on Lucston Avenue in Ocean Glen Estates, Conception Bay South. The demand loan requires a payout of \$120,000 upon the sale of respective property.	282,442	388,742
Bank of Montreal revolving demand loan bearing interest at prime plus 2%. The loan is secured by 3 Foxglove Street. Loan is callable upon demand. Revolving basis - outstanding balance of individual construct (presale and/or spec) to be repaid full upon sale.	284,500	284,500
Bank of Montreal non-revolving demand loan bearing interest at prime plus 2%. The loan is secured by 11 Rosegate Place. The loan is repayable upon demand. Equal monthly principal payments of \$1,300 plus monthly interest collected separately payable on the last day of each month. Outstanding balance of the original construct to be repaid in full upon sale.	-	191,880
Third party loan, bearing interest at 12% per annum. The loan requires a payout upon closing of Karwood Market place building.	100,000	100,000
Bank of Montreal revolving demand loan bearing interest at prime plus 2%. The loan is secured by 3 Foxglove Street. Loan is callable upon demand. Revolving basis - outstanding balance of individual construct (presale and/or spec) to be repaid full upon sale.	142,323	142,323
Moskowiz revolving demand loan bearing interest at prime plus 6%. The loan is secured by land owned by the company located at 211-215 Tolt Road.	225,000	-
Moskowiz revolving demand loan bearing interest at prime plus 10.5%. The loan is secured by land owned by the company located at Market Ridge, Lucston and Rosegate as well as personal rental properties of a shareholder.	1,301,400	-

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

7. Callable debt continued

	2022	2021
Moskowiz revolving demand loan bearing interest at prime plus 10.5%. The loan is secured by land owned by the company located at Market Ridge, Lucston and Rosegate as well as personal rental properties of a shareholder.	308,125	-
Third party loan, with repayment due earlier of 90 days from the date of the promissory loan dated March 29, 2022 or other refinancing options exercised by the company.	120,000	-
	\$ 4,288,136	\$ 3,998,443

8. Accounts payable and accrued liabilities

Accounts payable consist of the following:

	2022	2021
Trade accounts payable	\$ 1,889,385	\$ 2,523,652
Government remittances payable (receivable)	46,079	(116,083)
	\$ 1,935,464	\$ 2,407,569

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

9. Long-term debt

Long-term debt consists of the following:

	2022	2021
Canada Emergency Business Account loan, unsecured, guaranteed by the Government of Canada, non-interest bearing and if repaid prior to January 1, 2024, \$20,000 of the principal is forgivable. If the loan is not repaid prior to January 1, 2024, the original principal is converted to a two year term loan bearing interest at 5%, repayable in minimum monthly payments of interest only with outstanding principal due in full by December 31, 2025.	\$ 60,000	\$ 60,000
Bank of Nova Scotia 5.98% loan, repayable in monthly blended payments of \$521, maturing October June 2025, secured by a 2017 Nissan Rogue with a net book value of \$14,090.	20,241	25,198
Bank of Nova Scotia 3.98% loan, repayable in monthly blended payments of \$866, matured during the year.	-	2,640
	80,241	87,838
Less: current portion	(5,123)	(7,597)
	\$ 75,118	\$ 80,241

Principal repayments on long-term debt over the next four years are as follows:

2023	\$ 5,244
2024	\$ 45,548
2025	\$ 5,244
2026	\$ 4,205
	\$ 60,241

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

10. Obligations under capital lease

The company has entered into lease agreements to acquire office equipment and fit ups which has been financed by a capital lease. The liability recorded under the capital leases represents the minimum lease payments payable net of imputed interest at rates disclosed below:

The company's obligation under capital leases consists of:

	2022	2021
Office fit up lease , repayable in monthly installments of \$1,684. Interest paid at end of lease term. Interest rate at 2.78%, matures 2024	\$ 55,581	\$ -
Less: Portion representing interest to be recorded over the remaining term of the leases	(3,369)	-
	52,212	-
Less: current portion	(20,211)	-
	\$ 32,001	\$ -

Future minimum annual lease payments payable under the capital leases are as follows:

2023	\$ 20,211
2024	\$ 35,370
	\$ 55,581

11. Shareholders' equity

Authorized:

unlimited number of common shares

Issued and outstanding shares - 100 common shares

	2022	2021
Common shares	\$ 200	\$ 200

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

12. Income taxes

Income tax expense differs from the amounts which would be obtained by applying the statutory income tax rate to the respective year's earnings before taxes as follows:

	2022	2021
Statutory tax rate	12%	12%
Increase (decrease) in tax resulting from:		
Non-deductible costs	\$ -	\$ 2,934
Loss carryback	-	(42,495)
Income tax expense	\$ -	\$ (39,561)

13. Related party transactions

The amounts due from related parties are non-interest bearing, with no set terms of repayment.

	2022	2021
Due from 86049 Newfoundland and Labrador LTD. (company under common control)	\$ 1,239,875	\$ 690,573
Due from 81502 Newfoundland and Labrador Inc. (company under significant influence)	623,322	645,707
Due from 54950 Newfoundland and Labrador Inc. (company under common control)	-	593,286
Due from Karwood Sales Inc. (company under common control)	493,535	423,872
Due from Paradise Hill Limited (company under significant influence)	228,992	228,992
Due from 86265 Newfoundland and Labrador Inc. (company under common control)	72,540	72,450
Due from (to) 77592 Newfoundland and Labrador LTD. (company under common control)	4,556	3,916
Due from 78687 Newfoundland and Labrador Inc. (company under significant influence)	360	180
Due from Karwood Engineering Inc. (company under significant influence)	133,188	-
Due to Karwood Ontario LTD (company under common control)	(2,987,860)	(1,387,962)
	\$ (191,492)	\$ 1,271,014

Amount charged by a company controlled by immediate family member for rental of premises amounted to \$14,843; (2021 - \$77,3246).

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

13. Related party transactions continued

Amount charged by a company controlled by immediate family member for land purchases amounted to \$1,115,825; (2021 - \$273,838).

Amount charged by Karwood Sales Inc. for commission expenses amounted to \$277,570; (2021 - \$148,513).

Amount paid to a company controlled by immediate family member for construction costs amounted to \$421,910; (2021-\$69,271)

Amount charged by Karwood Engineering Inc. for professional services amounted to \$100,266; (2021 - \$122,096).

Amount received from 81502 Newfoundland & Labrador LTD. for construction of a building amounted to \$34,471; (2021 - \$73,936).

Amount received from 86049 Newfoundland and Labrador LTD. for construction of a building amounted to \$481,570; (2021 - \$621,246).

Amount paid to 81502 Newfoundland and Labrador Inc. for rental of premises amounted to \$35,955; (2021 - NIL),

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties.

The amounts due from related parties are non-interest bearing, with no set terms of repayment.

14. Contingent liability

The company has guaranteed a term loan of a related company 81502 Newfoundland and Labrador Ltd. in the amount of \$ 2,500,000. The amount of the loan at March 31, 2022 was approximately \$ 2,383,928.

15. Risk management

Credit risk

The company is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The company's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable and long term accounts receivable. The entity provides credit to its clients in the normal course of its operations. There was no significant change in exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The company is exposed to this risk mainly in respect of long-term debt, callable debt and accounts payable. There was no significant change in exposure from the prior year.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

15. Risk management continued

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the company is exposed are foreign exchange risk, interest rate risk and price risk. The company is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The company is exposed to interest rate risk in relation to interest expense on its investment loan payable, callable debt and long-term debt. Given the current composition of debt, fixed rate instruments subject the company to a fair value risk while the floating-rate instruments subject it to cash flow risk.

16. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The extent to which COVID-19 impacts the future financial results of the company will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others

17. Writedown of intercompany balance

During the year, the company forgave the balance due from a related party 81502 Newfoundland and Labrador Inc., a company under common control, in the amount of \$716,444. This loan was forgiven as a condition for the sale of 50% ownership in the corporation.

Karwood Contracting Ltd.
Financial Statements
March 31, 2023
(Unaudited)



PIKE & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Karwood Contracting Ltd.

March 31, 2023

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PIKE & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS



PIKE & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Practitioners' Review Engagement Report

To the Shareholders
Karwood Contracting Ltd.

We have reviewed the accompanying financial statements of Karwood Contracting Ltd. that comprise the statement of financial position as at March 31, 2023, and the Statements of operations, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Karwood Contracting Ltd. as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Pike & Associates

Chartered Professional Accountants

Spaniards Bay, Newfoundland and Labrador
March 14, 2024



Angela Pike, CPA, CA
Angela Pike Professional Corporation

angela@pikecpa.com
(709) 683-2316
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Karwood Contracting Ltd.

Statement of Financial Position March 31, 2023

(Unaudited)

	2023	2022
Assets		
Current Assets		
Cash		
Accounts receivable, net of allowances	\$1,228,284	\$396,822
Inventory (Note 2)	2,132,982	3,036,290
Work in process (Note 3)	1,064,806	1,059,722
Prepays	47,063	36,581
	4,473,135	4,529,415
Long term accounts receivable	258,835	241,365
Investments (Note 4)	50	50
Property and equipment (Note 5)	158,283	225,301
Due from related parties (Note 13)	0	0
Work in progress - commercial	1,581,070	1,628,689
	\$6,471,373	\$6,624,820

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Financial Position

March 31, 2023

(Unaudited)

	2023	2022
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness (Note 6)	\$131,632	\$20,339
Accounts payable and accrued liabilities (Note 8)	2,287,051	1,935,464
Due to shareholders	485,541	87,667
Due to companies controlled by immediate family member	545,402	560,287
Deferred revenue		67,134
Due to related parties (Note 13)	1,758,228	191,492
Current portion of long term debt (Note 9)	18,135	5,123
Current portion of obligations under capital lease (Note 10)	20,211	20,211
	5,246,200	2,887,717
Callable debt (Note 7)	2,078,764	4,288,136
	7,324,964	7,175,853
Long term debt (Note 9)	125,458	75,118
Obligations under capital lease (Note 10)	11,790	32,001
Due to immediate family member	300,000	300,000
Due to director	64,985	62,315
	7,827,197	7,645,287
Equity		
Share capital (Note 11)	200	200
(Deficit) retained earnings	(1,356,024)	(1,020,667)
	(1,355,824)	(1,020,467)
	\$6,471,373	\$6,624,820

Approved on Behalf of the Board:

_____, Director

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Retained Earnings
For the Year Ended March 31, 2023
(Unaudited)

	2023	2022
Retained earnings, beginning of year	\$(1,020,667)	\$77,650
Net loss	(335,357)	(1,098,317)
(Deficit) retained earnings, end of year	\$(1,356,024)	\$(1,020,667)

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Operations

For the Year Ended March 31, 2023

(Unaudited)

	2023	2022
Revenue		
Sales	\$5,048,646	\$5,799,396
Rental income		
	5,048,646	5,799,396
Cost of goods sold	4,656,166	5,374,992
	392,480	424,404
Operating expenses		
Bank charges	179,433	310,870
Salaries and wages	165,115	158,477
Professional fees	84,738	38,391
Office expenses	68,237	76,316
Insurance	67,963	56,631
Vehicle	40,658	48,721
Rent	50,699	45,324
Depreciation	42,914	36,769
Utilities	15,682	17,352
Advertising and promotion		7,575
Travel expenses	3,306	4,535
Supplies	6,928	3222
Interest on long term debt	1,491	1381
Other operating expenses	270	375
Repairs and maintenance	194	135
	727,628	806,074
Loss from operations	(335,148)	(381,670)
Loss on disposal of property and equipment	(209)	(203)
Writedown of intercompany balance		(716,444)
Loss before income taxes	(335,357)	(1,098,317)
Income tax expense		
Net loss	\$(335,357)	\$(1,098,317)

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Statement of Cash Flows

For the Year Ended March 31, 2023

(Unaudited)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (335,357)	\$ (1,098,317)
Depreciation	42,914	36,769
Gain (loss) on sale/retirement of property, plant and equipment	209	203
	(292,234)	(1,061,345)
Changes in non-cash working capital items:		
Accounts receivable	(831,462)	98,315
Work in progress	(5,084)	660,512
Inventory	903,308	(715,038)
Prepays	(10,482)	15,396
Accounts payable and accrued liabilities	351,387	(472,105)
Deferred revenue	67,134	67,134
Corporate income taxes payable	0	(3,063)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	182,567	(1,410,194)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(72,418)	(178,346)
Advance from (to) related parties	1,566,736	1,462,506
Proceeds from sale of property and equipment	1,600	565
NET CASH USED BY INVESTING ACTIVITIES	1,495,918	1,284,725
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from callable debt	374,867	1,954,525
Repayment of callable debt	(2,601,535)	(1,664,832)
Advances (to) from company controlled by immediate family member	(14,885)	(313,855)
Advances from (to) shareholder	397,874	66,810
Proceeds from obligations under capital lease		64,002
Proceeds of long-term debt	79,258	
Repayment of long-term debt	(13,567)	(7,597)
Rpayment of obligations under capital lease	(11,790)	(11,790)
NET CASH USED BY FINANCING ACTIVITIES	(1,789,778)	87,263
Net (decrease) increase in cash	(111,293)	(38,206)
Cash (bank indebtedness), beginning of year	(20,339)	17,867
(Bank indebtedness), cash, end of year	\$(131,632)	\$ (20,339)

The accompanying notes are an integral part of these financial statements.

Karwood Contracting Ltd.

Notes to the Financial Statements For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies

Nature of business/basis of preparation

The principal business of Karwood Contracting Ltd. is residential and commercial building construction.

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for private enterprises.

Cash and cash equivalents

The company's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity of three months or less at the date of acquisition under cash and cash equivalents.

Inventory

The inventory of residential units available for sale, residential units under construction and land inventory are measured at the lower of cost and net realizable value, with costs being determined on a specific identification basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Property and equipment

Property and equipment is recorded at cost. Depreciation is provided for using various methods over the estimated useful lives as follows for the major classes of assets:

Buildings	10% Declining balance
Vehicles	30% Declining balance
Furniture and fixtures	20% Declining balance
Leasehold improvements	5 years Straight-line
Computer equipment	30% declining balance
Machinery and equipment	20-30% Declining balance
Tools and dies	50% Declining balance

Impairment of long lived assets

In the event that facts and circumstances indicate that the company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The company considers that no circumstances exist that would require such an evaluation.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies continued

Investments

The company accounts for its investments in companies subject to significant influence (those companies in which it holds interests ranging from 20% to 50%) using the equity method. Under this method, the prorate share of the investee's earnings is recorded as income and added to the carrying value of the investment shown on the statement of financial position. Dividends received are considered as a return of capital and are accordingly deducted from the carrying value of the investment. Losses are not recognized in these financial statements when in managements opinion, the carrying value of the investment is not impaired.

Income taxes

The company accounts for income taxes using the taxes payable method. The taxes payable and provision for income taxes are based on the corporate income tax returns filed. There is no adjustment for income taxes related to temporary differences and no recognition of the benefit of income tax losses carried forward.

Financial instruments

The company considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The company accounts for the following as financial instruments:

- accounts receivable and long term accounts receivable
- due from related parties
- bank indebtedness
- accounts payable and accrued liabilities
- callable debt
- due to shareholder
- due to companies controlled by immediate family member
- due to director
- long term debt
- due to immediate family member

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies continued

Financial instruments continued

A financial asset or liability is recognized when the company becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair market value. In the case of a financial asset or liability not being subsequently measured at fair market value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the company is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The company subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable and due from related parties.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, due to shareholder, due to companies controlled by immediate family member, callable debt, due to a director and long term debt.

The company removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indications of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of the write-downs or reversals are recognized in net income.

Revenue recognition

Revenue for the sale of residential houses and condominiums are recognized when the houses/units are completed and the risks and rewards have been transferred to the purchaser.

Revenue from commercial construction projects is recognized using the percentage of completion method. The percentage of completion is determined by comparing the actual cost of work performed to date to the estimated total cost of the contract. The percentage is applied to the total contract revenue to determine the amount of revenue earned to date. Losses are recognized in the year in which they become apparent.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies continued

Revenue recognition continued

Rental income and management fee revenue are recognized when earned and ultimate collection is reasonably assured.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items subject to management estimates include allowance for doubtful accounts, obsolete inventory provision, work in progress and useful lives of property and equipment. Actual results could differ from those estimates and may have impact on future periods.

2. Inventory

	2023	2022
Land inventory	\$2,132,982	\$3,036,290

3. Work in progress

	2023	2022
Residential units under construction	\$1,064,806	\$1,059,722

4. Investments

	2023	2022
81502 Newfoundland and Labrador LTD. - 50% ownership at cost	\$50	50

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

5. Property and equipment

Property and equipment consist of the following:

	Cost	Accumulated Depreciation	2023 Net Book Value	2022 Net Book Value
Buildings	\$673	\$615	\$58	\$64
Vehicles	355,167	275,070	80,097	28,815
Furniture and fixtures	32,534	30,975	1,559	1,948
Leasehold improvements	137,834	137,834	0	87,796
Computer equipment	153,299	135,711	17,588	25,126
Machinery and equipment	206,903	147,924	58,979	81,550
Tools and dies	15,796	15,795	2	2
	\$902,206	\$743,924	\$158,283	\$225,301

6. Bank indebtedness

The demand operating loan has been authorized by the Bank of Montreal to a maximum of \$150,000 and bears interest at the bank's prime lending rate plus 2.25% per annum and is secured by a general security agreement and an assignment of insurance.

Karwood Contracting Ltd.

Notes to the Financial Statements

For the Year Ended March 31, 2023

(Unaudited)

7. Callable debt

	2023	2022
Moskowitz Capital Mortgage Fund II Inc. loan bearing interest at 9.9%. The loan is secured by a first mortgage on land at 166 Park Avenue, Mount Pearl. The loan is callable upon demand and repaid upon the sale of the respective property.	\$450,000	\$450,000
Moskowitz revolving demand loan bearing interest at prime plus 10.5%. The loan is secured by 947-965 Torbay Road. Loan is callable upon demand. Revolving basis - outstanding balance of the individual construct (pre-sale or spec) to be repaid in full upon sale.		850,000
Bank of Montreal revolving demand loan bearing interest at prime plus 2%. The loan is secured by specific lots. Loan is callable upon demand. Revolving basis - outstanding balance of individual construct (presale and/or spec) to be repaid full upon sale.		224,346
Bank of Montreal non-revolving demand loan bearing interest at prime plus 2%. The loan is secured by 11 residential building lots located on Lucston Avenue in Ocean Glen Estates, Conception Bay South. The demand loan requires a payout of \$120,000 upon the sale of respective property.		282,442
Bank of Montreal revolving demand loan bearing interest at prime plus 2%. The loan is secured by 3 Foxglove Street. Loan is callable upon demand. Revolving basis - outstanding balance of individual construct (presale and/or spec) to be repaid full upon sale.		284,500
Third party loan, bearing interest at 12% per annum. The loan requires a payout upon closing of Karwood Market place building.	100,000	100,000
Bank of Montreal revolving demand loan bearing interest at prime plus 2%. The loan is secured by 3 Foxglove Street. Loan is callable upon demand. Revolving basis - outstanding balance of individual construct (presale and/or spec) to be repaid full upon sale.		142,323
Moskowitz revolving demand loan bearing interest at 6%. The loan is secured by land owned by the company located at 211-215 Tolt Road.	225,000	225,000
Moskowitz revolving demand loan bearing interest at prime plus 7.8%. The loan is secured by land owned by the company located at Market Ridge.	791,601	1,301,400
Third party loan, bearing interest at 12% per annum. The loan requires a payout upon sale of personal rental properties	227,656	

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

7. Callable debt continued

	2023	2022
Boreal revolving demand loan bearing interest at 12%. The loan is secured by properties located at Nicholas Quinn Place. The loan is callable upon demand and repaid upon the sale of the respective properties.	164,507	
Anden revolving demand loan bearing interest at 12%. The loan is secured by personal rental properties. The loan is callable and repaid upon the sale of respective properties.	120,000	120,000
Moskowitz revolving demand loan bearing interest at prime plus 10.5%. The loan is secured by land owned by the company located at Market Ridge, Lucston and Rosegate as well as personal rental properties of a shareholder.		308,125
	\$2,078,764	\$4,288,136

8. Accounts payable and accrued liabilities

Accounts payable consist of the following:

	2023	2022
Trade accounts payable	\$2,096,921	\$ 1,889,385
Government remittances payable (receivable)	190,130	46,079
	\$2,287,051	\$ 1,935,464

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

9. Long-term debt

Long-term debt consists of the following:

	2023	2022
Canada Emergency Business Account loan. unsecured. guaranteed by the Government of Canada. non-interest bearing and if repaid prior to January 1, 2024. \$20,000 of the principal is forgivable. If the loan is not repaid prior to January 1, 2024, the original principal is converted to a two year term loan bearing interest at 5%, repayable in minimum monthly payments of interest only with outstanding principal due in full by December 31, 2025.	\$60,000	\$60,000
Bank of Nova Scotia 5.98% loan, repayable in monthly blended payments of \$521, maturing October June 2025, secured by a 2017 Nissan Rogue with a net book value of \$14,090.	14,997	20,241
Bank of Nova Scotia 0.99% loan, repayable in monthly blended payments of \$1,100, maturing July 2028, secured by a 2022 Ford F150 with a net book value of \$57,098.	68,596	
	143,593	80,241
Less: current portion	(18,135)	(5,123)
	\$125,458	\$75,118

Principal repayments on long-term debt over the next four years are as follows:

2024	\$18,135
2025	\$18,582
2026	\$16,418
2027	\$12,967
	\$66,102

Karwood Contracting Ltd.

Notes to the Financial Statements For the Year Ended March 31, 2023

(Unaudited)

10. Obligations under capital lease

The company has entered into lease agreements to acquire office equipment and fit ups which has been financed by a capital lease. The liability recorded under the capital leases represents the minimum lease payments payable net of imputed interest at rates disclosed below:

The company's obligation under capital leases consists of:

	2023	2022
Office fit up lease , repayable in monthly installments of \$1,684. Interest paid at end of lease term. Interest rate at 2.78%, matures 2024		
Less: Portion representing interest to be recorded over the remaining term of the leases	\$ 32,001 (3,369)	\$ 55,581 (3,369)
Less: current portion	28,632 (20,211)	52,212 (20,211)
	\$8,421	\$32,001

Future minimum annual lease payments payable under the capital leases are as follows:

2024	\$ 35,370
------	-----------

11. Shareholders' equity

Authorized:

unlimited number of common shares

Issued and outstanding shares - 100 common shares

	2023	2022
Common shares	\$200	\$200

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

12. Income taxes

Income tax expense differs from the amounts which would be obtained by applying the statutory income tax rate to the respective year's earnings before taxes as follows:

	2023	2022
Statutory tax rate	12%	12%
Increase (decrease) in tax resulting from:		
Non-deductible costs		
Loss carryback		
Income tax expense		

13. Related party transactions

The amounts due from related parties are non-interest bearing, with no set terms of repayment.

	2023	2022
Due from 86049 Newfoundland and Labrador LTD. (company under common control)	570	1,239,875
Due from 81502 Newfoundland and Labrador Inc. (company under significant influence)	267,190	623,322
Due from 54950 Newfoundland and Labrador Inc. (company under common control)	5,007	
Due from Karwood Sales Inc. (company under common control)	459,385	493,535
Due from Paradise Hill Limited (company under significant influence)	219,596	228,992
Due from 86265 Newfoundland and Labrador Inc. (company under common control)	72,540	72,540
Due from (to) 77592 Newfoundland and Labrador LTD. (company under common control)	4,646	4,556
Due from 78687 Newfoundland and Labrador Inc. (company under significant influence)	360	360
Due from Karwood Engineering Inc. (company under significant influence)	358,651	133,188
Due to Karwood Ontario LTD (company under common control)	(3,146,173)	(2,987,860)
	(1,758,228)	(191,492)

Karwood Contracting Ltd.

Notes to the Financial Statements For the Year Ended March 31, 2023

(Unaudited)

14. Related party transactions continued

Amount charged by a company controlled by immediate family member for land purchases amounted to \$210,365; (2022 - \$1,154,825).

Amount charged by Karwood Sales Inc. for commission expenses amounted to \$201,582; (2022 - \$277,570).

Amount paid to a company controlled by immediate family member for construction costs amounted to \$3,000; (2022- \$421,910)

Amount charged by Karwood Engineering Inc. for professional services amounted to \$16,000; (2022 - \$100,266).

Amount received from 81502 Newfoundland & Labrador LTD. for construction of a building amounted to NIL; (2022 - \$34,471).

Amount received from 86049 Newfoundland and Labrador LTD. for construction of a building amounted to NIL; (2022 - \$481,570).

Amount paid to 81502 Newfoundland and Labrador Inc. for rental of premises amounted to \$53,598; (2022 - \$35,955),

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and which in management's opinion is comparable to amounts that would have been paid to non-related parties.

The amounts due from related parties are non-interest bearing, with no set terms of repayment.

15. Contingent liability

The company has guaranteed a term loan of a related company 81502 Newfoundland and Labrador Ltd. in the amount of \$ 2,500,000. The amount of the loan at March 31, 2023 was approximately \$ 2,283,928.

Karwood Contracting Ltd.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

16. Risk management

Credit risk

The company is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The company's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable and long term accounts receivable. The entity provides credit to its clients in the normal course of its operations. There was no significant change in exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The company is exposed to this risk mainly in respect of long-term debt, callable debt and accounts payable. There was no significant change in exposure from the prior year.

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the company is exposed are foreign exchange risk, interest rate risk and price risk. The company is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The company is exposed to interest rate risk in relation to interest expense on its investment loan payable, callable debt and long-term debt. Given the current composition of debt, fixed rate instruments subject the company to a fair value risk while the floating-rate instruments subject it to cash flow risk.

This is Exhibit 1 to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador, ~~and Nova Scotia~~

EXHIBIT "F"

Karwood Engineering Inc.
Financial Statements
March 31, 2021

(Unaudited - see Notice to Reader)

Karwood Engineering Inc.

March 31, 2021

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Coombs & Associates

Chartered Professional Accountants

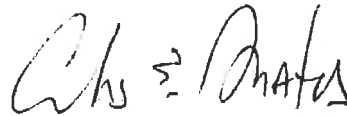
Roger Coombs & Associates
Professional Corporation
Roger K. Coombs, CPA, CA

Notice to Reader Report

On the basis of information provided by company's management, we have compiled the statement of financial position of Karwood Engineering Inc. as at March 31, 2021 and the statements of operations and retained earnings for the year then ended.

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

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



Chartered Professional Accountants

Paradise, Newfoundland and Labrador
October 05, 2021

Location:

27 Bremigens Blvd.
Paradise, NL
A1L 4A2

Ph: (709) 745-1200
(709) 579-1005
Fax: (709) 745-1204

Mailing address:

P.O. Box 447
Mount Pearl, NL
A1N 3C4

Karwood Engineering Inc.

Statement of Financial Position

March 31, 2021

(Unaudited - see Notice to Reader)

	2021	2020
Assets		
Current Assets		
Cash	\$ 95,011	\$ -
Accounts receivable, net of allowances	147,685	130,746
Work in progress	124,421	92,538
Prepays	4,526	12,999
	371,643	236,283
Property and equipment, net of accumulated amortization	13,012	2,218
	\$ 384,655	\$ 238,501
Liabilities		
Current Liabilities		
Bank indebtedness	\$ -	\$ 237
Callable debt	-	2,778
Accounts payable and accrued liabilities	356,360	178,756
Deferred revenue	26,313	-
Due to shareholders	-	21,343
Due to related parties	94,141	164,844
	476,814	367,958
Long term debt	60,000	-
	536,814	367,958
Shareholders' Deficiency		
Share capital	200	200
Deficit	(152,359)	(129,657)
	(152,159)	(129,457)
	\$ 384,655	\$ 238,501

Approved on Behalf of the Board:

_____, Director

Karwood Engineering Inc.

Statement of Operations
For the Year Ended March 31, 2021

(Unaudited - see Notice to Reader)

	2021	2020
Revenue	\$ 599,136	\$ 574,521
Operating expenses		
Engineering services	334,008	280,304
Salaries and wages	136,908	133,020
Office expenses	107,101	44,754
Rent	22,402	-
Insurance	16,060	7,824
Depreciation	5,777	896
Professional fees	2,000	1,725
Memberships and licenses	1,829	1,046
Interest and bank charges	313	1,987
	626,398	471,556
Income (loss) from operations	(27,262)	102,965
Other revenue	4,560	4,200
(Loss) income before income taxes	(22,702)	107,165
Income taxes - current	-	678
Net (loss) income	\$ (22,702)	\$ 106,487

Karwood Engineering Inc.

Statement of Deficit
For the Year Ended March 31, 2021

(Unaudited - see Notice to Reader)

	2021	2020
Deficit, beginning of year	\$ (129,657)	\$ (236,144)
Net (loss) income	(22,702)	106,487
Deficit, end of year	\$ (152,359)	\$ (129,657)

Karwood Engineering Inc.
Financial Statements
March 31, 2022

(Unaudited - see Compilation Engagement Reader)

Karwood Engineering Inc.

March 31, 2022

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Coombs & Associates

Chartered Professional Accountants

Roger Coombs & Associates
Professional Corporation
Roger K. Coombs, CPA, CA

Compilation Engagement Report

To Management of Karwood Engineering Inc.

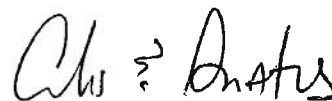
On the basis of information provided by management, we have compiled the statement of financial position of Karwood Engineering Inc. as at March 31, 2022, the statement of income and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.



Chartered Professional Accountants

Paradise, Newfoundland and Labrador
August 03, 2022

Location:

27 Bremigens Blvd.
Paradise, NL
A1L 4A2

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(709) 579-1005
Fax: (709) 745-1204

Mailing address:

P.O. Box 447
Mount Pearl, NL
A1N 3C4



Karwood Engineering Inc.

Statement of Financial Position

March 31, 2022

(Unaudited - see Compilation Engagement Reader)

	2022	2021
Assets		
Current Assets		
Cash	\$ -	\$ 95,011
Accounts receivable, net of allowances	352,552	147,685
Inventory	283,364	124,421
Prepays	8,113	4,526
	644,029	371,643
Property and equipment, net of accumulated amortization	33,474	13,012
	\$ 677,503	\$ 384,655
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness	\$ 46	\$ -
Accounts payable and accrued liabilities	441,480	356,362
Deferred revenue	-	26,313
Due to related parties	333,190	94,141
	774,716	476,816
Long term debt	60,000	60,000
	834,716	536,816
Equity		
Share capital	200	200
Deficit	(157,413)	(152,361)
	(157,213)	(152,161)
	\$ 677,503	\$ 384,655

Approved on Behalf of the Board:

_____, Director

_____, Director

Karwood Engineering Inc.

Statement of Operations
For the Year Ended March 31, 2022

(Unaudited - see Compilation Engagement Reader)

	2022	2021
Revenue	\$ 1,265,401	\$ 599,136
Operating expenses		
Professional fees	796,614	336,008
Salaries and wages	244,480	136,908
Office expenses	141,405	107,101
Interest and bank charges	32,804	313
Insurance	17,371	16,060
Rent	14,724	22,402
Depreciation	11,855	5,777
Other operating expenses	8,285	-
Memberships and licenses	4,287	1,829
Advertising and promotion	3,904	-
Computer-related expenses	50	-
	1,275,779	626,398
Loss from operations	(10,378)	(27,262)
Other revenue	5,326	4,560
Net loss	\$ (5,052)	\$ (22,702)

Karwood Engineering Inc.

Statement of Retained Earnings For the Year Ended March 31, 2022

(Unaudited - see Compilation Engagement Reader)

	2022	2021
Deficit, Beginning of year	\$ (152,361)	\$ (129,659)
Net loss	(5,052)	(22,702)
Retained earnings, end of year	\$ (157,413)	\$ (152,361)

Karwood Engineering Inc.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited - see Compilation Engagement Reader)

1. Basis of Accounting

The basis of accounting applied in the preparation of the financial statements is the historical cost basis and reflects cash transactions with the addition of:

accounts receivable less an allowance for doubtful accounts

property and equipment amortized over their useful lives

accounts payable and accrued liabilities

current income taxes payable as at the reporting date

This is Exhibit G to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and Nova Scotia~~

EXHIBIT "G"

Karwood Ontario LTD.
Financial Statements
March 31, 2022

(Unaudited)

Karwood Ontario LTD.

March 31, 2022

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Independent Practitioners' Review Engagement Report

Roger Coombs & Associates
Professional Corporation
Roger K. Coombs, CPA, CA

To the Shareholders
Karwood Ontario LTD.

We have reviewed the accompanying financial statements of Karwood Ontario LTD. that comprise the statement of financial position as at March 31, 2022, and the statements of operations, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

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

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Karwood Ontario LTD. as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Chartered Professional Accountants

Location:

27 Bremigens Blvd.
Paradise, NL
A1L 4A2

Ph: (709) 745-1200
(709) 579-1005
Fax: (709) 745-1204

Mailing address:

P.O. Box 447
Mount Pearl, NL
A1N 3C4

Paradise, Newfoundland and Labrador
October 18, 2022



Karwood Ontario LTD.

Statement of Financial Position
March 31, 2022

(Unaudited)

	2022	2021
Assets		
Current Assets		
Cash	\$ 415,904	\$ 681,048
Accounts receivable (Note 2)	1,824,127	791,529
Work in progress (Note 3)	5,829,838	3,441,448
Due from related parties (Note 11)	3,427,698	1,549,927
Prepays	57,990	43,814
	11,555,557	6,507,766
Property and equipment (Note 4)	353,891	269,767
	\$ 11,909,448	\$ 6,777,533
Liabilities and Shareholders' Equity		
Current Liabilities		
Callable debt (Note 5)	\$ 4,039,523	\$ 1,093,980
Accounts payable and accrued liabilities (Note 6)	5,628,092	3,352,493
Deferred revenue	474,649	710,463
Current portion of long term debt (Note 8)	1,574,541	231,780
Current portion of obligations under capital lease (Note 9)	17,487	2,032
	11,734,292	5,390,748
Long term debt (Note 8)	238,699	1,314,096
Obligations under capital lease (Note 9)	10,527	3,489
	11,983,518	6,708,333
Equity		
Share capital (Note 7)	100	100
(Deficit) retained earnings	(74,170)	69,100
	(74,070)	69,200
	\$ 11,909,448	\$ 6,777,533

Approved on Behalf of the Board:

_____, Director

The accompanying notes are an integral
part of these financial statements.

Karwood Ontario LTD.

Statement of Operations For the Year Ended March 31, 2022

(Unaudited)

	2022	2021
Revenue	\$ 16,491,608	\$ 11,548,701
Cost of goods sold	15,658,415	11,338,758
Gross profit	833,193	209,943
Operating expenses		
Investor fees	325,000	125,000
Professional fees	273,917	46,325
Interest on callable debt	73,320	59,446
Insurance	69,964	34,829
Interest on long term debt	59,776	19,791
Vehicle	57,296	32,630
Depreciation	38,961	12,676
Rent	42,240	26,739
Bank charges	35,464	2,543
Repairs and maintenance	30,046	20,451
Advertising and promotion	27,576	8,284
Computer-related expenses	8,590	5,177
Utilities	5,321	3,524
Memberships and licenses	4,531	639
	1,052,002	398,054
Loss from operations	(218,809)	(188,111)
Other revenue	75,539	79,238
Net loss	\$ (143,270)	\$ (108,873)

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Statement of Retained Earnings For the Year Ended March 31, 2022

(Unaudited)

	2022	2021
Retained earnings, beginning of year before restatement	\$ 657,723	\$ 177,973
Prior period adjustment (Note 13)	(588,623)	-
Retained earnings, beginning of year as restated	69,100	177,973
Net loss	(143,270)	(108,873)
(Deficit) retained earnings, end of year	\$ (74,170)	\$ 69,100

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Statement of Cash Flows
For the Year Ended March 31, 2022

(Unaudited)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income loss	\$ (143,270)	\$ (108,873)
Depreciation	38,961	12,676
	(104,309)	(96,197)
Changes in other working capital items:		
Accounts receivable	(1,032,598)	(651,429)
Work in progress	(2,388,390)	(2,311,619)
Prepays	(14,176)	(2,349)
Accounts payable and accrued liabilities	2,275,599	1,976,405
Deferred revenue	(235,814)	587,593
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	(1,499,688)	(497,596)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(123,084)	(282,444)
Increase in due from related parties	(1,877,772)	(739,353)
NET CASH USED BY INVESTING ACTIVITIES	(2,000,856)	(1,021,797)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in callable debt	2,945,543	593,980
Proceeds from long term debt	499,200	1,338,305
Proceeds from obligations under capital lease	39,353	6,776
Repayments of long term debt	(231,836)	(168,707)
Repayment of obligations under capital lease	(16,860)	(1,255)
NET CASH USED BY FINANCING ACTIVITIES	3,235,400	1,769,099
Net (decrease) increase in cash	(265,144)	249,706
Cash, beginning of year	681,048	431,342
Cash, end of year	\$ 415,904	\$ 681,048

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies

Nature of business/basis of preparation

Karwood Ontario LTD. (the company) was incorporated on September 19, 2018 under the laws of the Province of Ontario. The company is engaged in the business of residential and commercial building construction and development.

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for private enterprises.

Property and equipment

Property and equipment is recorded at cost. Depreciation is provided for using the declining balance method over the estimated useful lives as follows for the major classes of assets:

Buildings	4%
Computer equipment	55%
Vehicles	30%
Assets under capital lease	30%

Income taxes

The company accounts for income taxes using the taxes payable method. The taxes payable and provision for income taxes are based on the corporate income tax returns filed. There is no adjustment for income taxes related to temporary differences and no recognition of the benefit of income tax losses carried forward.

Financial instruments

The company considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The company accounts for the following as financial instruments:

- cash
- accounts receivable and refundable deposits
- due from related parties
- accounts payable and accrued liabilities
- callable debt
- long term debt

A financial asset or liability is recognized when the company becomes party to contractual provisions of the instrument.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies (Continued)

Financial Instruments (Continued)

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair market value. In the case of a financial asset or liability not being subsequently measured at fair market value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the company is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The company subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable, refundable deposits and due from related parties.

Financial liabilities measured at amortized cost include, accounts payable and accrued liabilities, callable debt and long term debt.

The company removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indications of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of the write-downs or reversals are recognized in net income.

Revenue recognition

Revenue from residential houses and commercial construction projects is recognized using the percentage of completion method. The percentage of completion is determined by comparing the actual cost of work performed to date to the estimated total cost of the contract. The percentage is applied to the total contract revenue to determine the amount of revenue earned to date. Losses are recognized in the year in which they become apparent.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

1. Significant Accounting Policies (Continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items subject to management estimates include the allowance for doubtful accounts, work in progress and the estimated useful lives of property and equipment. Actual results could differ from those estimates and may have an impact on future periods.

2. Accounts receivable

Accounts receivable consists of the following:

	2022	2021
Holdbacks	\$ 887,723	\$ 383,310
Trade	469,234	131,129
Warranty deposits	260,000	250,000
Other	160,180	100
Construction permits	46,990	26,990
	<u>\$ 1,824,127</u>	<u>\$ 791,529</u>

3. Work in progress

Work in progress consists of the following:

	2022	2021
Land inventory	\$ 2,088,607	\$ 1,896,488
Residential units available for sale	3,535,477	1,527,538
Commercial work in progress	205,754	17,422
	<u>\$ 5,829,838</u>	<u>\$ 3,441,448</u>

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

4. Property and equipment

Property and equipment consists of the following:

	Cost	Accumulated Depreciation	2022 Net Book Value	2021 Net Book Value
Building	\$ 232,000	\$ 11,734	\$ 220,265	\$ 227,360
Computer equipment	3,759	2,408	1,351	2,725
Vehicles	91,501	24,097	67,404	34,574
Trailer	32,655	4,898	27,757	-
	359,915	43,137	316,777	264,659
Assets under capital lease	45,613	8,499	37,114	5,108
	\$ 405,528	\$ 51,636	\$ 353,891	\$ 269,767

5. Callable debt

	2022	2021
Moskowitz loan, due on demand, secured by property situate at Acorn Trail, Ontario, NL, interest at the greater of 11.95% of Bank of Nova Scotia prime rate plus 9.5% Secured by first mortgage on 83 & 85 Acorn trail and second mortgages on 43,45,47,49,51,69,71 and 73 Acorn trail, St. Thomas, Ont.	\$ 1,051,876	\$ -
Third party loan, bearing interest at 9% per annum. No repayment terms, due on demand.	500,000	500,000
Libro Credit Union loan, secured by specific property situate at Acorn trail, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	429,675	-
Libro Credit Union loan, secured by specific property situate at 87 Renaissance, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	309,761	-
Third party loan, bearing interest at 0% per annum. A bonus of \$30,000 due on the earlier of December 31, 2022 and the sale of the property, secured by . 6,13, and 32 Helen Court, Ontario.	300,000	-
Libro Credit Union loan, secured by specific property situate at 112 Renaissance, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	259,345	-
Libro Credit Union loan, secured by specific property situate at 114 Renaissance, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	254,946	-

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

5. Callable debt (Continued)

	2022	2021
Libro Credit Union loan, secured by specific property situate at 110 Renaissance, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	229,550	-
Libro Credit Union loan, secured by specific property situate at 19 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	181,175	-
Libro Credit Union loan, secured by specific property situate at 22 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	178,334	-
Libro Credit Union loan, secured by specific property situate at 108 Renaissance, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	175,452	-
Libro Credit Union loan, secured by specific property situate at 17 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	169,409	-
Libro Credit Union loan, secured by specific property situate at 9 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	199,062
Libro Credit Union loan, secured by specific property situate at 3 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	116,820
Libro Credit Union loan, secured by specific property situate at 5 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	86,394
Libro Credit Union loan, secured by specific property situate at 7 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	81,509
Libro Credit Union loan, secured by specific property situate at 31 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	61,490
Libro Credit Union loan, secured by specific property situate at 1 Helen Court, Ontario. Interest at 4.45%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	48,705
	\$ 4,039,523	\$ 1,093,980

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consists of the following:

	2022	2021
Trade	\$ 4,125,171	\$ 1,593,086
Customer deposits	1,377,234	1,211,234
HST payable	125,065	392,089
Holdbacks payable	622	156,084
	\$ 5,628,092	\$ 3,352,493

7. Shareholders' equity

Authorized:

Unlimited number of common shares with no par value

Issued and outstanding shares - 100 shares

	2022	2021
Common shares	\$ 100	\$ 100

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

8. Long-term debt

Long-term debt consists of the following:

	2022	2021
Third party mortgage, bearing interest at 9%, annual interest payments due November 30, 2020, 2021 and 2022, matures November 30, 2022, secured by land situate at 231 South Dorchester, Belmont, ON and a personal guarantee of director.	\$ 1,000,000	\$ 1,000,000
Libro Credit Union loan, secured by specific property situate at 236 West Street - 7, Ontario. The loan is repayable in blended monthly installments of \$1,152 plus interest. Interest at 3.40%, matures 2046.	221,706	227,906
Third party loan, bearing interest at 11% per annum. The loan is secured by residential building lots located at Honey Bend, St. Thomas, ON. Matures 2022.	-	217,024
Canada Emergency Business Account loan, unsecured, guaranteed by the Government of Canada, non-interest bearing and if repaid prior to January 1, 2023, \$20,000 of the principal is forgivable. If the loan is not repaid prior to January 1, 2023, the original principal is converted to a three year term loan bearing interest at 5%, repayable in minimum monthly payments of interest only with outstanding principal due in full by December 31, 2025.	60,000	60,000
Vehicle loan, repayable in blended monthly installments of \$843 including interest, interest at 4.24%, matures August 2025, secured by specific vehicle with a net book value of \$34,574.	32,334	40,946
Libro Credit Union loan, secured by specific property situate at 35 Honey Bend, Ontario. The loan is interest only and matures in one year from the date of issuance. Interest at Libro prime plus 2.00%, matures 2023.	499,200	-
	1,813,240	1,545,876
Less: current portion	(1,574,541)	(231,780)
	\$ 238,699	\$ 1,314,096

The current portion of long term debt over the next five years are as follows:

2023	\$ 1,574,541
2024	\$ 15,949
2025	\$ 16,581
2026	\$ 11,235
2027	\$ 7,280
	\$ 1,625,586

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

9. Obligations under capital lease

The company has the following obligations under capital lease:

	2022	2021
National leasing, interest at 4% per annum, repayable in monthly blended payments of \$227 including interest. Matures August 2023, Secured by specific equipment	\$ 3,383	\$ 5,521
Axiom leasing Inc., interest at 4% per annum, repayable in monthly principal payments of \$1,230 including interest. Matures October 2024, Secured by specific equipment	33,746	-
	37,129	5,521
Amounts representing interest	(9,115)	-
	28,014	5,521
Less; Current portion	(17,487)	(2,032)
	\$ 10,527	\$ 3,489

Total payments of obligations under capital lease are as follows:

2023	\$	17,487
2024	\$	15,418
2025	\$	4,224
	\$	37,129

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

10. Income taxes

Income tax expense differs from the amounts which would be obtained by applying the statutory income tax rate to the respective year's earnings before taxes as follows:

	2022	2021
Statutory tax rate	9%	9%
Computed "expected" taxes (recovery)	\$ (14,298)	\$ 43,177
Increase (decrease) in tax resulting from:		
Difference between capital cost allowance and depreciation	(4,582)	(512)
Prior period adjustment	(52,976)	-
Work in progress deductible for tax purposes	(136,485)	(37,362)
Deferred revenue added for tax	(20,323)	52,883
Non-deductible costs	2,427	310
Application of loss carryforwards	226,237	(58,496)
Income tax expense	\$ -	\$ -

Loss carryforwards

The company has non capital losses of approximately \$ 3,216,540 available to reduce future taxable income. These losses expire in 2041.

11. Due from (to) related parties

	2022	2021
Due from Karwood Contracting LTD (company under common control)	\$ 2,987,860	\$ 1,387,962
Due from 2826725 Ontario Inc. (company under common control)	183,004	12,401
Due from Karwood Engineering Inc. (company under common control)	143,807	73,450
Due from 54950 Newfoundland and Labrador Ltd. (company under common control)	31,800	16,000
Due from Karwood Sales Inc. (company under common control)	9,211	17,099
	3,355,682	1,506,912
81502 Newfoundland and Labrador Ltd. (company under significant influence)	64,014	43,015
Due from LC Manufacturing Inc, (100% subsidiary)	6,598	-
Due from 2716702 Ontario Ltd (company under significant influence)	944	-
77592 Newfoundland & Labrador Inc. (company under common control)	460	-
	3,427,698	1,549,927

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

11. Due from (to) related parties (Continued)

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties. All related party transactions are non interest bearing with no set terms of repayment.

Amount charged by Karwood Engineering Inc. for professional services amounted to \$284,928; (2021-\$251,626).

Amount charged by 2826725 Ontario Inc, for rent amounted to \$38,940; (2021 - NIL).

12. Risk management

Credit risk

The company is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The company's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable and refundable deposits. The entity provides credit to its clients in the normal course of its operations. There was no significant exposure to credit risk during the year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The company is exposed to this risk mainly in respect of long term debt, demand loans and accounts payable. Management feels there is no significant exposure during the year.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the company is exposed are foreign exchange risk, interest rate risk and price risk. The company is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The company is exposed to interest rate risk in relation to interest expense on its demand loan and long term debt.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2022

(Unaudited)

13. Prior period adjustment

During the year, management discovered that land inventory was overstated by \$588,623. Two lots were sold in fiscal 2021 but not taken out of inventory.

The effects of the company's restatement on previously reported financial statements and for the periods ended March 31, 2021 are summarized below:

	2021		
	As Previously Reported	Adjustments	As Restated
Statement of operations			
Cost of goods sold	\$ 10,750,135	\$ 588,623	\$ 11,338,758
Net income (loss)	\$ 479,750	\$ (588,623)	\$ (108,873)
Statement of Financial Position			
Work in progress	\$ 4,030,071	\$ (588,623)	\$ 3,441,448
Other assets	3,336,085	-	3,336,085
Total assets	\$ 7,366,156	\$ (588,623)	\$ 6,777,533
Retained earnings	\$ 657,723	\$ (588,623)	\$ 69,100

14. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The extent to which COVID-19 impacts the future financial results of the company will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

THIRD AMENDMENT TO MORTGAGE

THIS MORTGAGE AMENDING AGREEMENT made at St. John's, in the Province of Newfoundland and Labrador, the 11 day of March, 2024.

BETWEEN:

KARWOOD CONTRACTING LTD. a corporation organized and existing under the laws of the Province of Newfoundland and Labrador (the "Mortgagor" or "Borrower")

AND:

GREGORY HUSSEY an individual residing in the Province of Newfoundland and Labrador ("the "Guarantor")

AND:

RANDY ORAM AND TAMMY ORAM, both of the Town of Conception Bay South in the Province of Newfoundland and Labrador (collectively, the "Mortgagee")

WHEREAS by a Mortgage dated the 11th day of August, 2023 and registered on the 11th day of August, 2023 at Registration Number 1080663 (the "Mortgage"), the Mortgagor mortgaged certain lands and premises to the Mortgagee, which lands and premises are more particularly described in the Schedule "A" annexed thereto (hereinafter referred to as the "Property");

AND WHEREAS by a First Amendment to the Mortgage dated the 31st day of October, 2023 and registered on the 2nd day of November, 2023 at Registration Number 1091650 (the "First Amendment to the Mortgage"), the Mortgagor and Mortgagee amended the terms of the Mortgage;

AND WHEREAS by a Second Amendment to the Mortgage dated the 15th day of December, 2023 and registered on the 18th day of December, 2023 at Registration Number 1097159 (the "Second Amendment to the Mortgage"), the Mortgagor and Mortgagee amended the terms of the Mortgage;

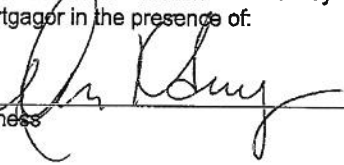
AND WHEREAS the parties hereto wish to further amend the Mortgage as set out herein.

IN CONSIDERATION OF the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto agree as follows:

1. The following properties of the Mortgagor shall be added to the Schedule "A" of the Mortgage:
 - (a) 61 Silver Birch Crescent, Paradise, NL; and
 - (b) 63 Silver Birch Crescent, Paradise, NL.(the "3rd Amendment Properties"), as more particularly described in the Schedule "A" attached hereto, as further security for the Mortgagee.
2. For greater certainty, and notwithstanding any partial releases of mortgage registered in relation to the Mortgage, the First Amendment to the Mortgage, or the Second Amendment to the Mortgage, the Mortgaged Premises assigned and conveyed to the Mortgagee under the Mortgage, as amended, shall remain assigned and conveyed to the Mortgagee, and the 3rd Amendment Properties shall be added as additional security.
3. All other terms and conditions of the Mortgage, as amended, shall remain the same as contained therein.


IN WITNESS WHEREOF the Mortgagor and Guarantor hereunto have set their respective hand and seal.

SIGNED, SEALED AND DELIVERED on the date first written above by the Mortgagor in the presence of:



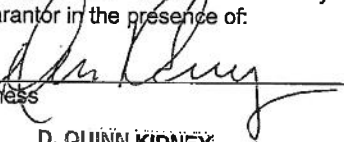
Witness

KARWOOD CONTRACTING LTD.




Per: Gregory Hussey

SIGNED, SEALED AND DELIVERED on the date first written above by the Guarantor in the presence of:



Witness

D. QUINN KIDNEY
A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador.
My commission expires on December 31, ~~2020~~



GREGORY HUSSEY

SCHEDULE "A"

January 18, 2021

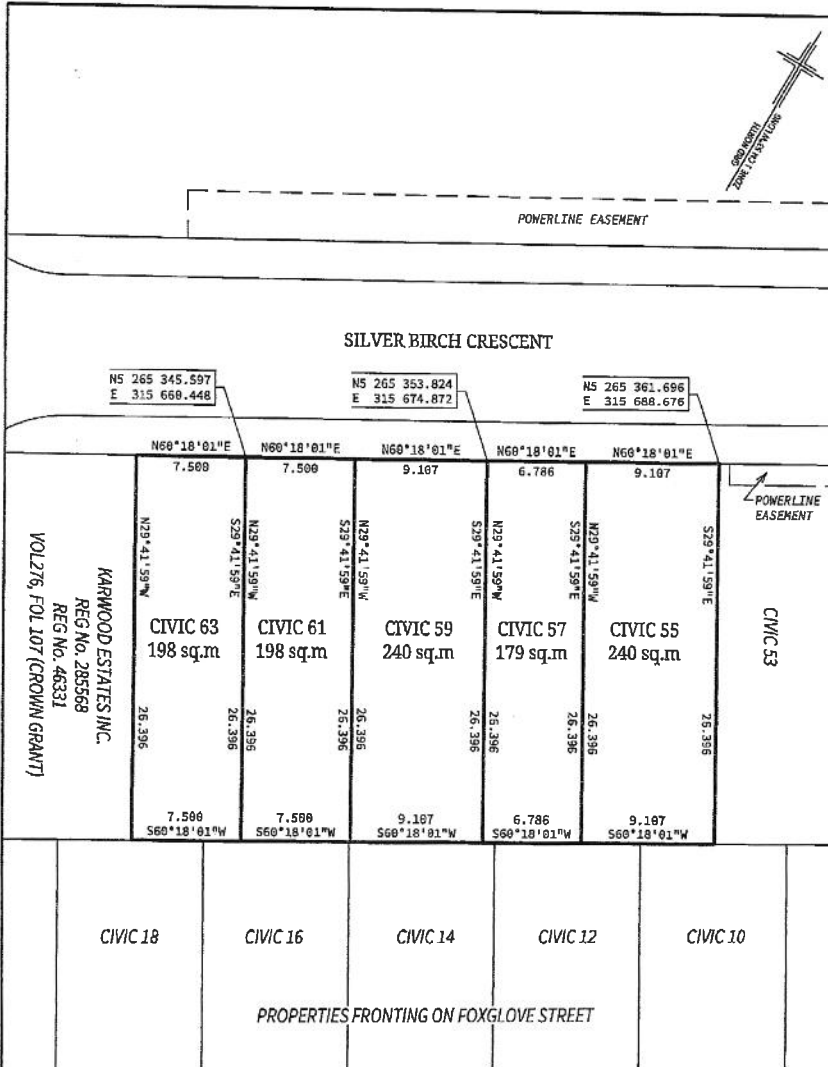
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**CIVIC 61 SILVER BIRCH CRESCENT
MARKET RIDGE SUBDIVISION
PARADISE, NL**

ALL THAT piece or parcel of land, situate and being on the southern side of Silver Birch Crescent, in the Town of Paradise, in the Province of Newfoundland & Labrador, Canada, and being bounded and abutted as follows: THAT IS TO SAY, beginning at a point on the southern side of Silver Birch Crescent, said point having coordinates N 5 265 345.597 metres and E 315 660.448 metres of the Three Degree Modified Transverse Mercator Projection NAD - 83 for the Province of Newfoundland & Labrador, THENCE along the southern side of Silver Birch Crescent N 60°18'01" E for a distance of 7.500 metres, THENCE by Civic 59 S 29°41'59" E for a distance of 26.396 metres, THENCE by Civic 16 Foxglove Street S 60°18'01" W for a distance of 7.500 metres, THENCE by Civic 63 N 29°41'59" W for a distance 26.396 metres, more or less, to the point of beginning and containing an area of 198 square metres, more or less. Which land is more particularly shown on the plan hereto attached. All bearings being referred to the above mentioned projection. All linear measurements are horizontal ground distances.

This description and accompanying Plan # 12344-2 of Brown & Way Surveys, form an integral part of the returns and are not separable.

The powerline easements shown on the attached plan are more particularly described on Newfoundland Power Inc. Drawing No. 1-1175-31-230A_REV_C.



POWERLINE EASEMENTS TAKEN FROM NEWFOUNDLAND POWER DRAWING No.: 1-1175-31-230A_REV_C.

© COPYRIGHT: ROBERT A. WAY, NLS

Monuments used for tie-in, Zone 1: N5 265 901.692 8062178 E 317 272.895 9666157 N5 265 078.144 E 315 898.538

NAD - 83

All linear measurements are horizontal ground distances.

For the computation of coordinates, horizontal ground distances have been reduced to the NFLD 3° M T W projection plane by multiplying them by an average combined scale factor of 0.999878.

	BROWN & WAY SURVEYS	
	Professional Surveying Services	
	Phone: (709)726-1040	email: brownsur@nl.rogers.com Fax: (709)726-1041
	MARKET RIDGE SUBDIVISION CIVIC No. 55, 57, 59, 61 & 63	
SILVER BIRCH CRESCENT		PARADISE, NL
SCALE: 1:300	DATE: JANUARY 18, 2021	
JOB No: 12344-2	SURVEY: ---	

January 18, 2021

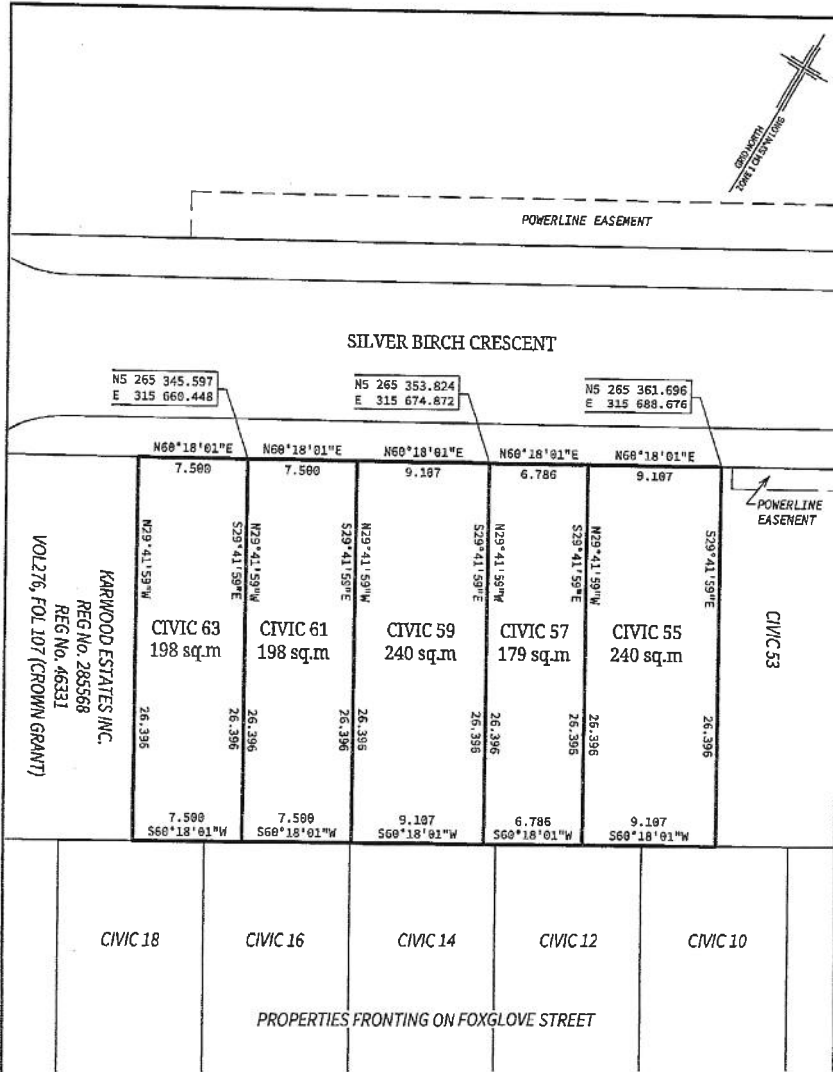
Job No. 12344-2

**CIVIC 63 SILVER BIRCH CRESCENT
MARKET RIDGE SUBDIVISION
PARADISE, NL**

ALL THAT piece or parcel of land, situate and being on the southern side of Silver Birch Crescent, in the Town of Paradise, in the Province of Newfoundland & Labrador, Canada, and being bounded and abutted as follows: THAT IS TO SAY, beginning at a point on the southern side of Silver Birch Crescent, said point having coordinates N 5 265 345.597 metres and E 315 660.448 metres of the Three Degree Modified Transverse Mercator Projection NAD - 83 for the Province of Newfoundland & Labrador, THENCE by Civic 61 S 29°41'59" E for a distance of 26.396 metres, THENCE by Civic 16 and by Civic 18 Foxglove Street S 60°18'01" W for a distance of 7.500 metres, THENCE by property of Karwood Estates Inc. N 29°41'59" W for a distance 26.396 metres, THENCE along the southern side of Silver Birch Crescent N 60°18'01" E for a distance of 7.500 metres, more or less, to the point of beginning and containing an area of 198 square metres, more or less. Which land is more particularly shown on the plan hereto attached. All bearings being referred to the above mentioned projection. All linear measurements are horizontal ground distances.

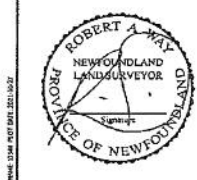
This description and accompanying Plan # 12344-2 of Brown & Way Surveys, form an integral part of the returns and are not separable.

The powerline easements shown on the attached plan are more particularly described on Newfoundland Power Inc. Drawing No. 1-1175-31-230A_REV_C.



POWERLINE EASEMENTS TAKEN FROM NEWFOUNDLAND POWER DRAWING No.: 1-1175-31-230A_REV_C.
 © COPYRIGHT: ROBERT A. WAY, NLS
 Monuments used for tie-in, Zone 1: 8062178 NS 265 901.692 N5 265 078.144
 E 317 272.895 E 317 272.895 9666157 E 315 898.538
 NAD - 83

All linear measurements are horizontal ground distances.
 For the computation of coordinates, horizontal ground distances have been reduced to the NFD 3° N T M projection plane by multiplying them by an average combined scale factor of 0.999878.



BROWN & WAY SURVEYS
 Professional Surveying Services

Phone: (709)726-1040 email: brownsur@n1.rogers.com Fax: (709)726-1041

MARKET RIDGE SUBDIVISION
 CIVIC No. 55, 57, 59, 61 & 63

SILVER BIRCH CRESCENT PARADISE, NL

SCALE: 1:300

DATE: JANUARY 18, 2021

JOB No: 12344-2

SURVEY: ---

CANADA

CITY OF ST. JOHN'S

PROVINCE OF NEWFOUNDLAND AND LABRADOR

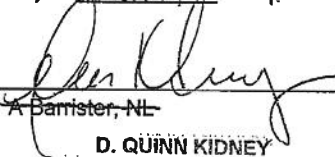
TO WIT:

AFFIDAVIT

I, Gregory Hussey, of the Town of Conception Bay South, in the Province of Newfoundland and Labrador, Canada, hereby make oath and say as follows:

1. **THAT** I am President and Director of the Mortgagor named in the within Mortgage respecting the property therein described and as such have personal knowledge of the matters herein deposed to;
2. **THAT** the Mortgagor is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
3. **THAT** the word "spouse" as hereinafter used means a spouse as defined in Section 2(1)(e) of the *Family Law Act*, RSNL 1990, c. F-2 (the "Act") as amended;
4. **THAT** the property described in the within the Mortgage has never been occupied by any director, officer or shareholder of the Mortgagor, or any spouse of a director, officer or shareholder of Mortgagor, as a matrimonial home;
5. **THAT** the property described in the within Mortgage does not constitute matrimonial assets or a matrimonial home as defined by the Act, and that the said property is not held for the benefit of a spouse of mine, and no other person has a right to possession of the said property by reason of Sections 62, 63 or 64 of the Act, a Separation Agreement or a Marriage Contract;
6. **THAT** the said property does not contain urea formaldehyde foam insulation;
7. **THAT** to the best of my knowledge, information and belief, at this date, there are no underground oil tanks at the property and there has never been any underground oil tanks at the property;
8. **THAT** to the best of my knowledge, information and belief, at this date, there are no statutory liens of any kind whatsoever charging or encumbering the property herein more particularly described in the attached Mortgage;
9. **THAT** to the best of my knowledge, information and belief, no other person or persons has a vested right in the property being conveyed under the attached Mortgage;
10. **THAT** the Mortgagor does not owe any money, and will not owe any money up to the date of registration of the attached Mortgage, pursuant to the *Retail Sales Tax Act*, RSNL 1990, c. R-15, as amended, the *Health and Post-Secondary Education Tax Act*, RSNL 1990, c. H-1, as amended, the *School Tax Authorities Winding-Up Act*, SNL 1992, c. S-10.1, as amended, at least until registration of the attached Mortgage or Goods and Services Tax under the *Excise Tax Act* (Canada) as amended.

SWORN/AFFIRMED before me at the City
of St. John's, in the Province of
Newfoundland and Labrador, this 11
day of March, 2024.



A Barrister, NL

D. QUINN KIDNEY

A Commissioner for Oaths in and for
the Province of Newfoundland and Labrador.
My commission expires on December 31, 2026



GREGORY HUSSEY

Karwood Ontario LTD.
Financial Statements
March 31, 2023
(Unaudited)

Karwood Ontario LTD.

March 31, 2023

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Independent Practitioners' Review Engagement Report

Roger Coombs & Associates
Professional Corporation
Roger K. Coombs, CPA, CA

To the Shareholders
Karwood Ontario LTD.

We have reviewed the accompanying financial statements of Karwood Ontario LTD. that comprise the statement of financial position as at March 31, 2023, and the statements of operations, retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

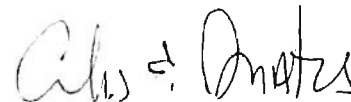
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Karwood Ontario LTD. as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Chartered Professional Accountants

Location:

27 Bremigens Blvd.
Paradise, NL
A1L 4A2

Ph: (709) 745-1200
(709) 579-1005
Fax: (709) 745-1204

Mailing address:

P.O. Box 447
Mount Pearl, NL
A1N 3C4

Paradise, Newfoundland and Labrador
October 11, 2023



Karwood Ontario LTD.

Statement of Financial Position

March 31, 2023

(Unaudited)

	2023	2022
Assets		
Current Assets		
Cash	\$ 739,220	\$ 415,904
Accounts receivable (Note 2)	1,222,346	1,824,127
Work in progress (Note 3)	3,951,140	5,829,838
Due from related parties (Note 11)	4,102,180	3,427,698
Prepays	62,432	57,990
	10,077,318	11,555,557
Property and equipment (Note 4)	353,802	353,891
	\$ 10,431,120	\$ 11,909,448
Liabilities and Shareholders' Equity		
Current Liabilities		
Callable debt (Note 5)	\$ 4,217,664	\$ 4,039,523
Accounts payable and accrued liabilities (Note 6)	4,344,448	5,628,092
Deferred revenue	351,196	474,649
Current portion of long term debt (Note 8)	945,027	1,574,541
Current portion of obligations under capital lease (Note 9)	15,596	17,487
	9,873,931	11,734,292
Long term debt (Note 8)	256,913	238,699
Obligations under capital lease (Note 9)	670	10,527
	10,131,514	11,983,518
Equity		
Share capital (Note 7)	100	100
Retained earnings (deficit)	299,506	(74,170)
	299,606	(74,070)
	\$ 10,431,120	\$ 11,909,448

Approved on Behalf of the Board:

_____, Director

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Statement of Operations For the Year Ended March 31, 2023

(Unaudited)

	2023	2022
Revenue	\$ 13,114,827	\$ 16,491,608
Cost of goods sold	11,001,551	15,658,415
Gross profit	2,113,276	833,193
Operating expenses		
Professional fees	702,117	273,917
Interest on long term debt	259,505	59,776
Bad debt expense	200,000	-
Interest on callable debt	159,685	73,320
Insurance	80,698	69,964
Investor fees	70,000	325,000
Depreciation	55,519	38,961
Vehicle	41,461	57,296
Rent	39,600	42,240
Bank charges	37,167	35,464
Advertising and promotion	31,077	27,576
Computer-related expenses	13,287	8,590
Repairs and maintenance	11,638	30,046
Utilities	3,922	5,321
Memberships and licenses	3,879	4,531
Property taxes	1,502	-
	1,711,057	1,052,002
Income (loss) from operations	402,219	(218,809)
Loss on disposal of investment	(53,300)	-
Other revenue	24,757	75,539
Net income (loss)	\$ 373,676	\$ (143,270)

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Statement of Retained Earnings For the Year Ended March 31, 2023

(Unaudited)

	2023	2022
Retained earnings, beginning of year before restatement	\$ (74,170)	\$ 657,723
Prior period adjustment (Note 13)	-	(588,623)
Retained earnings, beginning of year as restated	(74,170)	69,100
Net income (loss)	373,676	(143,270)
(Deficit) retained earnings, end of year	\$ 299,506	\$ (74,170)

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Statement of Cash Flows

For the Year Ended March 31, 2023

(Unaudited)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 373,676	\$ (143,270)
Depreciation	55,519	38,961
	429,195	(104,309)
Changes in other working capital items:		
Accounts receivable	601,781	(1,032,598)
Work in progress	1,878,698	(2,388,390)
Prepays	(4,442)	(14,176)
Accounts payable and accrued liabilities	(1,283,644)	2,275,599
Deferred revenue	(123,453)	(235,814)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES	1,498,135	(1,499,688)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property and equipment	(55,430)	(123,084)
Increase in due from related parties	(674,482)	(1,877,772)
NET CASH USED BY INVESTING ACTIVITIES	(729,912)	(2,000,856)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in callable debt	178,141	2,945,543
Proceeds from long term debt	452,596	499,200
Proceeds from obligations under capital lease	-	39,353
Repayments of long term debt	(1,063,896)	(231,836)
Repayment of obligations under capital lease	(11,748)	(16,860)
NET CASH USED BY FINANCING ACTIVITIES	(444,907)	3,235,400
Net increase (decrease) in cash	323,316	(265,144)
Cash, beginning of year	415,904	681,048
Cash, end of year	\$ 739,220	\$ 415,904

The accompanying notes are an integral part of these financial statements.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies

Nature of business/basis of preparation

Karwood Ontario LTD. (the company) was incorporated on September 19, 2018 under the laws of the Province of Ontario. The company is engaged in the business of residential and commercial building construction and development.

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards for private enterprises.

Property and equipment

Property and equipment is recorded at cost. Depreciation is provided for using the declining balance method over the estimated useful lives as follows for the major classes of assets:

Buildings	4%
Computer equipment	55%
Vehicles	30%
Assets under capital lease	30%

Income taxes

The company accounts for income taxes using the taxes payable method. The taxes payable and provision for income taxes are based on the corporate income tax returns filed. There is no adjustment for income taxes related to temporary differences and no recognition of the benefit of income tax losses carried forward.

Financial instruments

The company considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The company accounts for the following as financial instruments:

- cash
- accounts receivable and refundable deposits
- due from related parties
- accounts payable and accrued liabilities
- callable debt
- long term debt

A financial asset or liability is recognized when the company becomes party to contractual provisions of the instrument.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair market value. In the case of a financial asset or liability not being subsequently measured at fair market value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the company is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The company subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Forward exchange contracts and interest rate swaps that are not hedging items are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable, refundable deposits and due from related parties.

Financial liabilities measured at amortized cost include, accounts payable and accrued liabilities, callable debt and long term debt.

The company removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indications of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of the write-downs or reversals are recognized in net income.

Revenue recognition

Revenue from residential houses and commercial construction projects is recognized using the percentage of completion method. The percentage of completion is determined by comparing the actual cost of work performed to date to the estimated total cost of the contract. The percentage is applied to the total contract revenue to determine the amount of revenue earned to date. Losses are recognized in the year in which they become apparent.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

1. Significant Accounting Policies (Continued)

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items subject to management estimates include the allowance for doubtful accounts, work in progress and the estimated useful lives of property and equipment. Actual results could differ from those estimates and may have an impact on future periods.

2. Accounts receivable

Accounts receivable consists of the following:

	2023	2022
Holdbacks	\$ 872,407	\$ 887,723
Warranty deposits	280,000	260,000
Construction permits	48,990	46,990
Trade	20,849	469,234
Other	100	160,180
	<u>\$ 1,222,346</u>	<u>\$ 1,824,127</u>

3. Work in progress

Work in progress consists of the following:

	2023	2022
Land inventory	\$ 388,446	\$ 2,088,609
Residential units available for sale	3,314,469	3,535,476
Commercial work in progress	248,225	205,753
	<u>\$ 3,951,140</u>	<u>\$ 5,829,838</u>

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

4. Property and equipment

Property and equipment consists of the following:

	Cost	Accumulated Depreciation	2023 Net Book Value	2022 Net Book Value
Building	\$ 232,000	\$ 18,545	\$ 213,454	\$ 220,266
Computer equipment	3,759	3,082	677	1,351
Vehicles	146,932	52,633	94,299	67,403
Trailer	32,655	13,225	19,430	27,757
	415,346	87,485	327,860	316,777
Assets under capital lease	45,613	19,671	25,942	37,114
	\$ 460,959	\$ 107,156	\$ 353,802	\$ 353,891

5. Callable debt

	2023	2022
Moskowitz loan, due on demand, secured by property situate at Acorn Trail, Ontario, NL, interest at the greater of 11.95% of Bank of Nova Scotia prime rate plus 9.5% Secured by first mortgage on 83 & 85 Acorn trail and second mortgages on 43,45,47,49,51,69,71 and 73 Acorn trail, St. Thomas, Ont.	\$ 613,405	\$ 1,051,875
Third party loan, bearing interest at 9% per annum. No repayment terms, due on demand.	500,000	500,000
Libro Credit Union loan, secured by specific property situate at Acorn trail, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	296,925	429,675
Libro Credit Union loan, secured by specific property situate at 87 Renaissance, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	309,761
Third party loan, bearing interest at 0% per annum. A bonus of \$30,000 due on the earlier of December 31, 2022 and the sale of the property, secured by . 6,13, and 32 Helen Court, Ontario.	100,000	300,000
Libro Credit Union loan, secured by specific property situate at 112 Renaissance, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	259,345
Libro Credit Union loan, secured by specific property situate at 114 Renaissance, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	254,946

Karwood Ontario LTD.

Notes to the Financial Statements For the Year Ended March 31, 2023

(Unaudited)

5. Callable debt (Continued)

	2023	2022
Libro Credit Union loan, secured by specific property situate at 110 Renaissance, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	229,550
Libro Credit Union loan, secured by specific property situate at 19 Helen Court, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	181,175
Libro Credit Union loan, secured by specific property situate at 22 Helen Court, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	178,334
Libro Credit Union loan, secured by specific property situate at 108 Renaissance, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	175,452
Libro Credit Union loan, secured by specific property situate at 17 Helen Court, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	-	169,410
Libro Credit Union loan, secured by specific property situate at 236 West Street, Ontario. Interest at 8.95%. The loan is callable upon demand and repaid upon the sale of the respective property.	163,344	-
Libro Credit Union loan, secured by specific property situate at 35 Honey Bend, Ontario. Interest at 8.95%. The loan is callable upon demand and repaid upon the sale of the respective property.	256,050	-
Libro Credit Union loan, secured by specific property situate at 236 West Street, Ontario. Interest at 8.95%. The loan is callable upon demand and repaid upon the sale of the respective property.	74,100	-
Libro Credit Union loan, secured by specific property situate at 2 Helen Court, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	363,074	-
Libro Credit Union loan, secured by specific property situate at 6 Helen Court, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	320,940	-
Libro Credit Union loan, secured by specific property situate at 25 Helen Court, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	307,743	-
Libro Credit Union loan, secured by specific property situate at 43 Acorn Trail, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	198,426	-
Libro Credit Union loan, secured by specific property situate at 45 Acorn Trail, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	472,125	-

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

5. Callable debt (Continued)

	2023	2022
Libro Credit Union loan, secured by specific property situate at 49 Acorn Trail, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	141,402	-
Libro Credit Union loan, secured by specific property situate at 69 Acorn Trail, Ontario. Interest at 8.7%. The loan is callable upon demand and repaid upon the sale of the respective property.	410,130	-
	\$ 4,217,664	\$ 4,039,523

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consists of the following:

	2023	2022
Trade	\$ 2,894,806	\$ 4,125,171
Customer deposits	1,272,234	1,377,234
HST payable	176,103	125,065
Holdbacks payable	1,305	622
	\$ 4,344,448	\$ 5,628,092

7. Shareholders' equity

Authorized:

Unlimited number of common shares with no par value

Issued and outstanding shares - 100 shares

	2023	2022
Common shares	\$ 100	\$ 100

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

8. Long-term debt

Long-term debt consists of the following:

	2023	2022
Libro Credit Union loan, secured by specific property situate at 35 Honey Bend, Ontario. The loan is repayable in blended monthly installments of \$2,904. Interest at 5.00%, matures 2046.	\$ 493,080	\$ 499,200
Third party loan, bearing interest at 10% per annum. Unsecured.	356,667	-
Libro Credit Union loan, secured by specific property situate at 236 West Street - 7, Ontario. The loan is repayable in blended monthly installments of \$1,152. Interest at 3.40%, matures 2046.	215,294	221,707
Canada Emergency Business Account loan, unsecured, guaranteed by the Government of Canada, non-interest bearing and if repaid prior to January 1, 2024, \$20,000 of the principal is forgivable. If the loan is not repaid prior to January 1, 2023, the original principal is converted to a three year term loan bearing interest at 5%, repayable in minimum monthly payments of interest only with outstanding principal due in full by December 31, 2025.	60,000	60,000
Vehicle loan, monthly blended payments of \$749 including interest, bearing interest at 7.99%, secured by a specific vehicle with a net book value of \$27,800.	33,864	-
Vehicle loan, repayable in blended monthly installments of \$843 including interest, interest at 4.24%, matures August 2025, secured by specific vehicle with a net book value of \$24,201.	23,349	32,333
Vehicle loan, monthly blended payments of \$1176 including interest, bearing interest at 9.25%, secured by a specific vehicle with a net book value of \$19,316.	19,686	-
Third party mortgage, bearing interest at 9%, annual interest payments due November 30, 2020, 2021 and 2022, repaid during the year.	-	1,000,000
	1,201,940	1,813,240
Less: current portion	(945,027)	(1,574,541)
	\$ 256,913	\$ 238,699

The current portion of long term debt over the next five years are as follows:

2024	\$ 945,027
2025	\$ 30,502
2026	\$ 18,873
2027	\$ 15,551
2028	\$ 11,920
	\$ 1,021,873

9. Obligations under capital lease

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

9. Obligations under capital lease (Continued)

The company has the following obligations under capital lease:

	2023	2022
National leasing, interest at 4% per annum, repayable in monthly blended payments of \$227 including interest. Matures August 2023, Secured by specific equipment	\$ 1,097	\$ 3,383
Axiom leasing Inc., interest at 4% per annum, repayable in monthly principal payments of \$1,230 including interest. Matures October 2024, Secured by specific equipment	23,371	33,746
	24,468	37,129
Amounts representing interest	(8,202)	(9,115)
	16,266	28,014
Less; Current portion	(15,596)	(17,487)
	\$ 670	\$ 10,527

Total payments of obligations under capital lease are as follows:

2024	\$	15,596
2025	\$	670
	\$	16,266

Karwood Ontario LTD.

Notes to the Financial Statements For the Year Ended March 31, 2023

(Unaudited)

10. Income taxes

Income tax expense differs from the amounts which would be obtained by applying the statutory income tax rate to the respective year's earnings before taxes as follows:

	2023	2022
Statutory tax rate	9%	9%
Computed "expected" taxes (recovery)	\$ 33,631	\$ (14,298)
Increase (decrease) in tax resulting from:		
Difference between capital cost allowance and depreciation	2,305	(4,582)
Prior period adjustment	-	(52,976)
Work in progress deductible for tax purposes	16,068	(136,485)
Deferred revenue added for tax	(11,110)	(20,323)
Non-deductible costs	1,400	2,427
Application of loss carryforwards	(42,294)	226,237
Income tax expense	\$ -	\$ -

Loss carryforwards

The company has non capital losses of approximately \$ 2,693,235 available to reduce future taxable income. These losses expire in 2041.

11. Due from (to) related parties

	2023	2022
Due from Karwood Contracting LTD (company under common control)	\$ 3,146,173	\$ 2,987,860
Due from 2826725 Ontario Inc. (company under common control)	-	183,003
Due from Karwood Engineering Inc. (company under common control)	917,945	143,807
Due from 54950 Newfoundland and Labrador Ltd. (company under common control)	19,200	31,800
Due from Karwood Sales Inc. (company under common control)	10,710	9,211
Due from Paradise Hill (company under common control)	150	-
	4,094,178	3,355,681
81502 Newfoundland and Labrador Ltd. (company under significant influence)	-	64,015
Due from LC Manufacturing Inc, (100% subsidiary)	6,598	6,598
Due from 2716702 Ontario Ltd (company under significant influence)	944	944
77592 Newfoundland & Labrador Inc. (company under common control)	460	460
	4,102,180	3,427,698

Karwood Ontario LTD.

Notes to the Financial Statements For the Year Ended March 31, 2023

(Unaudited)

11. Due from (to) related parties (Continued)

These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of the consideration established and agreed to by the related parties. All related party transactions are non interest bearing with no set terms of repayment.

Amount charged by Karwood Engineering Inc. for professional services amounted to \$32,000; (2022-\$284,928).

Amount charged by 2826725 Ontario Inc, for rent amounted to \$39,600; (2022 -\$38,940).

12. Risk management

Credit risk

The company is exposed to normal credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The company's financial instruments that are exposed to concentrations of credit risk relate primarily to accounts receivable and refundable deposits. The entity provides credit to its clients in the normal course of its operations. There was no significant exposure to credit risk during the year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet cash flow commitments associated with financial instruments. The company is exposed to this risk mainly in respect of long term debt, demand loans and accounts payable. Management feels there is no significant exposure during the year.

Market risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The significant market risks to which the company is exposed are foreign exchange risk, interest rate risk and price risk. The company is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The company is exposed to interest rate risk in relation to interest expense on its demand loan and long term debt.

Karwood Ontario LTD.

Notes to the Financial Statements
For the Year Ended March 31, 2023

(Unaudited)

13. Prior period adjustment

During the 2022, management discovered that land inventory was overstated by \$588,623. Two lots were sold in fiscal 2021 but not taken out of inventory.

The effects of the company's restatement on previously reported financial statements and for the periods ended March 31, 2022 are summarized below:

	2022		
	As Previously Reported	Adjustments	As Restated
Statement of operations			
Cost of goods sold	\$	- \$ 10,750,135	\$ 588,623
Net Income (loss)	\$	- \$ 479,750	\$ (588,623)
Statement of Financial Position			
Work in progress	\$	- \$ 4,030,071	\$ (588,623)
Other assets		- 3,336,085	-
Total assets	\$	- \$ 7,366,156	\$ (588,623)
Retained earnings	\$	- \$ 657,723	\$ (588,623)

This is Exhibit H to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and Nova Scotia~~

EXHIBIT "H"

Karwood Design Group Ltd
Income Statement
For the Period Ended March 31, 2022

Account	Title	Current Activity	Current Balance
<u>Income</u>			
	Total Income		
<u>Cost of Sales</u>			
	Total Cost of Sales		
	Gross Margin		
<u>Expenses</u>			
5210	Accounting Fees	\$ 460	\$ 460
5280	Insurance		270
5295	Legal Fees		674
	Total Expenses	\$ 460	\$ 1,404
<u>Other Income</u>			
	Total Other Income		
	Net Income (Loss)	\$ (460)	\$ (1,404)

Confidential: For Internal Use Only

Karwood Design Group Ltd
Income Statement
For the Period Ended March 31, 2023

Account	Title	Current Activity	Current Balance
<u>Income</u>			
	Total Income		
<u>Cost of Sales</u>			
	Total Cost of Sales		
	Gross Margin		
<u>Expenses</u>			
5210	Accounting Fees	\$ 460	\$ 460
	Total Expenses	\$ 460	\$ 460
<u>Other Income</u>			
	Total Other Income		
	Net Income (Loss)	\$ (460)	\$ (460)

This is Exhibit I to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.



ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and Nova Scotia~~

EXHIBIT "I"

EXHIBIT "1"
Karwood Contracting Ltd., Karwood Ontario Ltd.
Karwood Engineering Inc. & Karwood Design Group Ltd. (collectively, the "Karwood Group")
Statement of Projected Cash Flow for the period January 27, 2025 to April 25, 2025

Week Ending Week	31-Jan-25 Week 1	7-Feb-25 Week 2	14-Feb-25 Week 3	21-Feb-25 Week 4	28-Feb-25 Week 5	7-Mar-25 Week 6	14-Mar-25 Week 7	21-Mar-25 Week 8	28-Mar-25 Week 9	4-Apr-25 Week 10	11-Apr-25 Week 11	18-Apr-25 Week 12	25-Apr-25 Week 13	Total	Note
Receipts															
DIP Financing	-	-	750,000	-	-	-	-	-	-	-	-	-	-	750,000	1
Sale of homes - Karwood Ontario	-	-	-	550,000	-	-	-	-	-	-	-	-	-	550,000	
236 West Street	-	-	-	-	765,000	-	-	-	-	-	-	-	-	765,000	2
35 Honeybend Street	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of homes - Karwood Contracting	-	-	-	-	340,549	-	-	-	-	-	-	-	-	340,549	
55 Silverbirch	-	-	-	-	-	-	333,781	-	-	-	-	-	-	333,781	3
59 Silverbirch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
61 Silverbirch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
63 Silverbirch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
70 Silverbirch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
41 Yellowwood	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
55 Silverbirch Mechanic Lien holdback release	-	-	-	-	-	-	39,422	-	-	-	-	-	-	39,422	4
59 Silverbirch Mechanic Lien holdback release	-	-	-	-	-	-	-	-	-	-	-	38,657	-	38,657	4
166 Park Ave. Construction revenue	-	-	250,000	-	-	-	583,333	-	-	-	-	583,333	-	1,416,667	5
HST refunds	-	-	-	-	-	74,026	-	-	-	-	123,376	-	-	197,402	
Total Receipts	-	-	1,000,000	550,000	1,105,549	74,026	583,333	373,203	-	-	123,376	583,333	38,657	4,431,477	
Disbursements															
Operational															
Home construction costs (Silverbirch & Yellowwood)	-	-	39,501	39,501	39,501	39,501	39,501	39,501	39,501	39,501	39,501	39,501	39,501	434,515	
Home closing costs	-	-	-	145,173	-	-	45,630	-	-	-	-	-	-	190,803	6
166 Park Ave. construction Costs	-	-	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,375,000	
Municipal taxes and insurance	-	-	2,690	5,218	-	417	5,218	-	-	417	-	7,908	-	24,557	
Payroll expenses	-	-	45,404	42,885	1,275	45,045	42,885	-	-	41,970	4,350	42,884	-	266,688	7
Office expenses	-	-	9,937	410	256	1,270	1,930	5,901	686	1,626	1,556	5,901	760	30,233	8
Vehicle expenses	-	-	2,860	2,809	4,289	1,711	1,190	2,809	1,190	4,289	1,711	2,809	1,190	26,857	
Banking fees and related charges	-	-	-	9,510	900	280	5,570	-	-	900	2,516	3,000	-	22,676	
Restructuring & Legal															
Monitor and Monitor's Counsel fees	-	-	50,000	-	25,000	-	-	-	25,000	-	-	-	25,000	125,000	
Company Counsel Fees	-	-	50,000	-	25,000	-	-	-	25,000	-	-	-	25,000	125,000	
Corporate costs	-	-	10,000	-	10,000	-	-	-	10,000	-	-	-	10,000	30,000	
Project manager fees	-	-	10,000	-	10,000	-	-	-	10,000	-	-	-	10,000	40,000	
Debtor in Possession Financing															
Interest and fees	-	-	15,000	-	-	-	16,750	-	-	-	18,750	-	-	52,500	9
Total Disbursements	-	-	360,392	225,333	376,394	213,225	194,631	266,944	236,377	213,704	193,364	227,003	236,451	2,743,839	
Net Cash Flow	-	-	639,608	324,667	729,154	(139,199)	388,702	106,259	(236,377)	(213,704)	(70,008)	356,330	(197,794)	1,687,639	
Opening Cash	-	-	-	639,608	964,275	1,693,429	1,554,230	1,942,933	2,049,192	1,812,815	1,589,111	1,529,103	1,885,433	-	
Net Cash Flow	-	-	639,608	324,667	729,154	(139,199)	388,702	106,259	(236,377)	(213,704)	(70,008)	356,330	(197,794)	1,687,639	
Closing Cash	-	-	639,608	964,275	1,693,429	1,554,230	1,942,933	2,049,192	1,812,815	1,589,111	1,529,103	1,885,433	1,687,639	1,687,639	


EXHIBIT "I"
Karwood Contracting Ltd., Karwood Ontario Ltd.
Karwood Engineering Inc. & Karwood Design Group Ltd. (collectively, the "Karwood Group")
Statement of Projected Cash Flow for the period January 27, 2025 to April 25, 2025

Week Ending	31-Jan-25	7-Feb-25	14-Feb-25	21-Feb-25	28-Feb-25	7-Mar-25	14-Mar-25	21-Mar-25	28-Mar-25	4-Apr-25	11-Apr-25	18-Apr-25	25-Apr-25	Total
Week	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Note

- Notes:**
- 1 Karwood Ontario Ltd. ("Karwood Ontario") home closings relate to homes that are complete, and therefore do not require work to complete and close. Purchase and sale agreements are executed and current.
 - 2 Karwood Contracting Ltd. ("Karwood Contracting") homes are at various stages of construction. \$5 Silverbirch being 100% complete while other homes are at varying stages of completion.
 - 3 Certain home closings are beyond the 13-week cash flow projection period. These remaining four (4) properties are anticipated to be ready for closing within 18 weeks of construction restart.
 - 4 Mechanic line holdbacks are typically released 30 days after closing upon confirmation, via a lien search, that no liens have been filed on the property in question.
 - 5 The 166 Park Ave. Apartment building project is to be billed on a monthly basis based on construction percentage of completion. Karwood Contracting is the contractor constructing the building for a related party that is not part of the CCMA proceedings.
 - 6 Home closing costs consists of real state legal and disbursement fees, municipal taxes, utilities and realtor commissions.
 - 7 Payroll expenses consist of CRA remittances, payroll provider processing fees, employee benefits and net employee wages.
 - 8 Office expenses consist of rent and utilities for the NL office location, as well as office supplies, software licenses and mobile phone service expenses.
 - 9 The Karwood Group is working to arrange DIP financing. The amount of financing and associated interest and fees are based on management assumptions.

As of January 21, 2025

Karwood Contracting Ltd.
Karwood Ontario Ltd.
Karwood Engineering Inc.
Karwood Design Group Ltd.

Per: 
Greg Huxley
President

This is Exhibit J to the affidavit of Gregory
Hussey sworn before me on the 26 day of
January 2025.

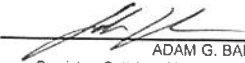

ADAM G. BAKER
Barrister, Solicitor, Notary Public in the Provinces of
Newfoundland and Labrador ~~and Nova Scotia~~

EXHIBIT "J"

Newfoundland & Labrador Court Proceedings

Court Action Number	Name
2012 01G 2142	V. Acharya & Associates Inc. v. 61902 Newfoundland & Labrador Limited et al
2014 01G 1750	Karwood Contracting Limited v. Breath Easy Ventilation Systems Inc et al
2014 01G 6727	Karwood Contracting Ltd v. Jean-Francois Ratthe
2014 01G 6774	Rockmount Properties Inc. v. Karwood Contracting Ltd.
2014 01G 7991	Karwood Contracting Limited v. Kelvin George Fowler et al
2015 01G 5623	GCLawlor Enterprises Inc. v. Karwood Contracting Ltd.
2016 01G 5389	Jody Gedge et al v. Karwood Contracting Ltd.
2020 01G 0928	SEB Electrical Limited v. Karwood Contracting Limited
2019 01G 6525	Cole Air Contracting Ltd. v 81502 Newfoundland & Labrador Ltd et al
2020 01G 5543	Fairview Investments Limited v. Karwood Contracting Ltd.
2024 01G 1684	Quick Shot Contracting Inc. v. Karwood Estates Inc. et al
2024 01G 0775	Karwood Contracting Ltd. v. Patrick Street Holdings Limited et al
2023 01G 2765	Nuway Kitchens (2008) Limited v. Karwood Contracting Ltd.
2023 01G 2226	86265 Newfoundland & Labrador Ltd. v. Mark Crocker and Janell Crocker et al
2022 01G 2073	Lisa Dober v. Karwood Contracting Ltd.
2021 01G 5708	Karwood Contracting Inc v. Conception Bay South (Town)
2024 01G 3954	Kent Building Supplies v. Karwood Contracting Ltd.
2024 01G 4090	Yuijan Huang v. Karwood Contracting Ltd. et al
2024 01G 4115	Kent Building Supplies v. Karwood Contracting Ltd.
2024 01G 4116	Kent Building Supplies v. Karwood Contracting Ltd.
2024 01G 4117	Kent Building Supplies v. Karwood Contracting Ltd.
2024 01G 4118	Kent Building Supplies v. Karwood Contracting Ltd.
2024 01G 5347	Newcrete investments Limited Partnership v. Karwood Contracting Ltd. et al
2024 01G 6737	Boreal Atlantic Ltd. v. Karwood Contracting Ltd. et al
2024 01G 6848	Newcrete Investments Limited Partnership v. Karwood Contracting Ltd.
2024 01G 6914	Kent Building Supplies v. Karwood Contracting Ltd. et al
0124C00275	Shock Free Electrical Inc. v. Karwood Contracting Ltd.
0124C00276	Shock Free Electrical Inc. v. Karwood Contracting Ltd.
0124C00277	Shock Free Electrical Inc. v. Karwood Contracting Ltd.
0124C00329	R & L Contracting Limited v. Karwood Contracting Ltd.
0124C00101	Cole Air Contracting Ltd. v. Karwood Contracting Ltd.
0124C00102	Cole Air Contracting Ltd. v. Karwood Contracting Ltd.
0124C00103	Cole Air Contracting Ltd. v. Karwood Contracting Ltd.
0124C00104	Cole Air Contracting Ltd. v. Karwood Contracting Ltd.
2017 01G 1795	Jocelyn Dunn v. Gregory H. G. Hussey at al

Ontario Court Proceedings

Court Number	Parties
EXP Services / Order 24 April 2024 St. Thomas SC-23-00000192-0000+00D1	EXP Services v Karwood et al and Karwood (Karwood Ontario Ltd and Karwood Design Group) v Doug Tarry Limited et al (2695612 Ontario Inc.)
Gilbert Renovations Ltd CV-23-00000014-0000	Gilbert vs Karwood ON Ltd. Karwood Contracting Ltd, Greg Hussey, Randy Oram (personally)
Legacy Construction Services (1000204780 Ontario Inc) CV-24-00000023-0000	10000204780 Ontario Inc o/a Legacy Construction Services and Walter Lukye AND Doug.Tarry Limited, 2695612 Ontario Inc, Karwood Ontario Ltd, Karwood Contracting Ltd, Karwood Engineering Inc, and Karwood Sales Inc.
2695612 Ontario Ltd. CV-23-00000030-0000	2695612 Ontario Inc AND Karwood Ontario Ltd, Greg Hussey (personally), Karwood Engineering Inc, and 2716702 Ontario Ltd, operating as Karwood Design Group Ltd.
AE3 Excavating Corp and AEON Landscaping Corp CV-22-00001401-0000	AE3 Excavating Corp and AEON Landscaping Corp AND Karwood Contracting Ltd, Karwood Ontario Ltd, Gregory Hussey and Randy Oram
Akubilt Construction Partner Ltd CV-00000623-0000	Akubilt Construction Partners Ltd AND Karwood Ontario Ltd, Greg Hussey and Randy Oram (personally)
Kielstar Inc CV-22-00001768-0000	Kielstar Inc operating as Kielstar Siding & Windows AND Karwood Ontario Ltd, Greg Hussey and Randy Oram (personally)
Callidus Engineering Inc. CV-00000021-0000	Callidus Engineering Inc AND Karwood Design Group Ltd, Alexander Chouinard, Nick Herder, Greg Hussey, Randy Oram (personally)
Stephenson's CV-22-00000099-0000	Stephenson's Rental Services Inc AND Karwood Ontario Inc, Gregory Hussey, also known as Greg Hussey and Canada Mortgage and Housing Corporation
Flooring Canada Tillsonburg CV-23-00000051-0000	15376688 Ontario Inc c.o.b. as Flooring Canada Tillsonburg AND Andrew Pearson, Kelsey Gaudreault, Karwood Ontario Ltd and Karwood Ontario Ltd.
Flooring Canada Tillsonburg CV-23-00000052-0000	15376688 Ontario Inc c.o.b. as Flooring Canada Tillsonburg AND Andrew Pearson, Kelsey Gaudreault, Karwood Ontario Ltd and Karwood Ontario Ltd.
Paramount???	
Bell/ AE3 SC-23-0000-0256-0000	Bell Canada AND AE3 Excavating Corp and Karwood Ontario Ltd.
Bell/AE3 SC-23-0000-1311-0000	Bell Canada AND AE3 Excavating Corp and Karwood Ontario Ltd.

RA Walker CV-22-00002012-0000	Karwood Ontario Ltd., Greg Hussey and Randy Oram (personally)
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