
4399871 Canada Inc.

Financial Information

December 31, 2022

4399871 Canada Inc.

Financial Statements

December 31, 2022

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VAIVE AND ASSOCIATES

Professional Corporation

Compilation Engagement Report

To the management of 4399871 Canada Inc.

On the basis of information provided by management, we have compiled the balance sheet of 4399871 Canada Inc. as at December 31, 2022, the statement of income and retained earnings for the year then ended, and note 2, which describes the basis of accounting applied in the preparation of the compiled financial information ("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.

Vaive and Associates

Ottawa
June 21, 2023

Vaive and Associates Professional Corporation
(Authorized to practice public accounting by the Chartered
Professional Accountants of Ontario)

4399871 Canada Inc.**Statement of Income and Retained Earnings**

| For the year ended December 31, | 2022 | 2021 |
|--|---------------------|---------------------|
| Revenue | | |
| Interest | \$ 3,399 | \$ 4,510 |
| Dividends | 9,397 | 8,325 |
| Foreign | 9,189 | 7,069 |
| Gain (loss) on disposal of marketable securities | 7,891 | 29,318 |
| Gain on foreign exchange | 56 | 54 |
| Loss on disposal of land | - | (27,395) |
| | <u>29,932</u> | <u>21,881</u> |
| Expenses | | |
| Interest and bank charges | 162 | 103 |
| Investment counsel fees | 13,500 | 13,179 |
| Professional fees | 7,006 | 2,260 |
| | <u>20,668</u> | <u>15,542</u> |
| Income before income taxes | 9,264 | 6,339 |
| Income taxes | 1,029 | 511 |
| Net income | 8,235 | 5,828 |
| Retained earnings, beginning of year | 2,943,398 | 2,939,465 |
| Refundable dividend tax paid | (1,696) | (1,895) |
| Retained earnings, end of year | \$ 2,949,937 | \$ 2,943,398 |

4399871 Canada Inc.**Balance Sheet**

| December 31, | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| Assets | | |
| Current | | |
| Cash | \$ 153,462 | \$ 36,932 |
| Accounts receivable | <u>3,282</u> | <u>1,062</u> |
| Total Current | 156,744 | 37,994 |
| Investments | 749,925 | 749,925 |
| Due from related parties | 1,458,269 | 1,458,269 |
| Marketable securities | <u>934,329</u> | <u>1,042,395</u> |
| | <u>\$ 3,299,267</u> | <u>\$ 3,288,583</u> |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 14,711 | \$ 7,824 |
| Income taxes payable | <u>1,698</u> | <u>4,493</u> |
| Total Current | 16,409 | 12,317 |
| Due to shareholder | <u>332,821</u> | <u>332,768</u> |
| | <u>349,230</u> | <u>345,085</u> |
| Shareholders' equity | | |
| Capital stock (note 4) | 100 | 100 |
| Retained earnings | <u>2,949,937</u> | <u>2,943,398</u> |
| | <u>2,950,037</u> | <u>2,943,498</u> |
| | <u>\$ 3,299,267</u> | <u>\$ 3,288,583</u> |

Approved by the board:

Director

4399871 Canada Inc.**Notes to the Financial Information**

For the year ended December 31, 2022

1. General information

4399871 Canada Inc. was incorporated on December 18, 2006 under the Canada Business Corporations Act. The Company's primary business activity is holding investments.

2. Basis of accounting

The basis of accounting applied in the preparation of the balance sheet of 4399871 Canada Inc. as at December 31, 2022, and the statement of income and retained earnings for the year then ended, is the historical cost basis and reflects cash transactions with the addition of the following:

- ♦ amounts receivable
- ♦ investments recorded at cost
- ♦ marketable securities recorded at cost
- ♦ accounts payable and accrued liabilities
- ♦ current income taxes payable as at the reporting date

3. Significant accounting policies**(a) Investments**

The company follows the cost method of accounting for its investments, written down for any permanent impairment in value.

(b) Marketable securities

Marketable securities are recorded at cost. Where there is a decline in value which is considered to be other than a temporary decline, marketable securities are written down to recognize the loss.

4. Capital stock

| | <u>2022</u> | <u>2021</u> |
|--|---------------|---------------|
| Authorized | | |
| Unlimited number of Class A Common Shares | | |
| Unlimited number of Class A Preferred Shares | | |
| Issued | | |
| Class A Common Shares | \$ 50 | \$ 50 |
| Class A Preferred Shares | <u>50</u> | <u>50</u> |
| Total capital stock | <u>\$ 100</u> | <u>\$ 100</u> |

4399871 Canada Inc.

Notes to the Financial Information

For the year ended December 31, 2022

5. Refundable income taxes

Under the Income Tax Act, the company qualifies as a "private corporation" and consequently, a portion of income taxes paid and applicable to investment income is refundable. These taxes, amounting to \$74,143 as at December 31, 2022, are refundable at the rate of \$38 for every \$100 of taxable dividends paid. Should the company lose its "private corporation" status, the right to this refund would also be lost.