

TRUSTEE'S PRELIMINARY REPORT

**IN THE MATTER OF THE BANKRUPTCY OF BRYERS TELECOM LTD.
OF THE CITY OF EDMONTON, IN THE PROVINCE OF ALBERTA**

ERNST & YOUNG INC.
Trustee in Bankruptcy

SECTION A - BACKGROUND

On May 24, 2022, a Bankruptcy Order was made against Bryers Telecom Ltd. (the "**Debtor**") thereby initiating these bankruptcy proceedings.

The Debtor was in the business of trenching and installing fibre optic lines on behalf of telecommunication providers in Alberta and British Columbia.

SECTION B – ASSETS

The following summary represents the Debtor's realizable assets as per its Statement of Affairs:

Cash	0.00
Accounts Receivable	1.00
Inventory	1.00
Machinery & Equipment	2.00
Vehicles	3.00
Other	<u>3.00</u>
Total	\$10.00

Secured Creditors

The following are the known secured creditors of the Debtor:

Northbridge General Insurance	1.00
Royal Bank of Canada	<u>255,973.17</u>
Total	\$255,974.17

The Trustee has reached out to the Canada Revenue Agency ("**CRA**") to review the books and records of the Debtor to determine if the CRA has a deemed trust claim.

SECTION C – BOOKS AND RECORDS OF THE BANKRUPT

Most of the Debtor's books and records were maintained electronically. The Trustee has been provided the backups to these records. The limited physical records of the Debtor are located at a storage facility and the Trustee is in the process of securing and taking possession of these records with the assistance of the Debtor's director.

SECTION D - CONSERVATORY AND PROTECTIVE MEASURES

The Debtor provided the Trustee with information and locations of certain assets. The Trustee is currently working to recover these assets with the assistance of a local auctioneer to provide storage and determine next steps on realizing on the assets.

The Trustee contacted the former landlord of the Debtor and notified them of the bankruptcy. Further, the Trustee also advised that it would not be occupying the premises. On June 13, 2022, the Trustee accessed the premises and took a photo inventory of the minimal assets on-site. The Trustee is currently determining whether or not to take possession and realize on these minimal remaining assets.

The Trustee has insured the assets retrieved to date.

The Trustee has notified the Debtor's bank of the bankruptcy and has requested that all accounts be closed, including cancelling all credit cards, and that any funds on deposit be forwarded to the Trustee. The bank has notified the Trustee that all deposit accounts have been closed for months and that there are no funds available. Copies of the banking and credit card statements from the last 12 months have been provided and are being reviewed by the Trustee.

The Trustee advises that a subcontractor of the Debtor currently has possession of a damaged car hauler trailer which is property of the Debtor. The trailer cannot be moved without expense to the Estate, as it is not road worthy, and the subcontractor has expressed an interest in purchasing the trailer as is. The Trustee is following-up on this option.

The Trustee has sent requests for payment to any of the Debtors' customers whereby the Debtor's books and records reflected a receivable owing.

SECTION E – PROVABLE CLAIMS

Attached as Appendix "A" is the claims register, which provides a summary of the proven claims to date.

SECTION F - LEGAL PROCEEDINGS / PREFERENCE PAYMENTS

At this time, the Trustee is determining if there are any on going legal proceedings initiated by or against the Debtor. The Trustee is aware of a few situations that may constitute fraudulent conveyances, preferences or transfers at undervalue made by the Debtor and will be considering whether any further actions are appropriate.

SECTION G – THIRD-PARTY DEPOSITS OR GUARANTEES

The Trustee has requested an administrative agreement from the CRA to allow the Trustee to recover its and expenses ahead of the CRA's deemed trust claim (if any). The Royal Bank of Canada has agreed to indemnify the Trustee for any fees and expenses not covered under an administrative agreement with the CRA. The Trustee has not received any third-party deposits.

SECTION H – APPOINTMENT OF RECEIVER

Not applicable.

SECTION I – ANTICIPATED REALIZATIONS AND PROJECTED DISTRIBUTION

The Trustee cannot comment on anticipated realizations at this time with the exception of indicating that it expects the value of the Debtor's assets to be insufficient to cover the CRA's deemed trust claim (if any) and the claims of secured creditors. As such, it is unlikely that there will be any distributions to unsecured creditors.

SECTION J – OTHER MATTERS

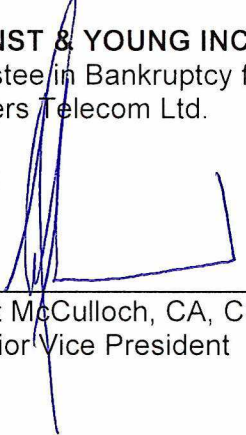
The Trustee is not aware of any other matters at this time.

Dated at the City of Edmonton, this 15th day of June 2022.

ERNST & YOUNG INC.

Trustee in Bankruptcy for the Estate of
Bryers Telecom Ltd.

Per:



Matt McCulloch, CA, CIRP, LIT
Senior Vice President