

Court File No. _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EXPRESS GOLD REFINING LTD.
(the "Applicant")**

**APPLICATION RECORD
(returnable October 15, 2020)**

October 14, 2020

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC #27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Joël Turgeon (Member of the Bar of Quebec,
Ontario Student-at-Law)

Lawyers for the Applicant, Express Gold
Refining Ltd.

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TAB 1

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ARRANGEMENT OF EXPRESS GOLD REFINING LTD.
(the "Applicant")**

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears in the following pages.

THIS APPLICATION will come on for a hearing on Thursday, October 15, 2020, at 3:45 p.m. Toronto time, at 330 University Avenue, Toronto, via videoconference. The videoconference details can be found in Schedule "A" to this Notice of Application.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: October __, 2020 Issued by: _____
Local registrar

Address of 330 University Avenue, 9th Floor
court office: Toronto (ON) M5G 1R8

APPLICATION

1. Express Gold Refining Ltd. (“**EGR**”) makes this application for an initial order pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”) substantially in the form of the draft order attached as Tab 4 of the application record principally seeking:
 - a. abridgment of the time for and validation of the service of this notice of application and the attendant application record,
 - b. comeback hearing and attendant provisions,
 - c. the appointment of Deloitte Restructuring Inc. as monitor in respect of EGR with the duties, powers and protections set out in the CCAA and the draft order (the “**Monitor**”),
 - d. orders that EGR remains in possession and control of all its current and future assets, undertakings and properties, continues to carry on and preserve its business, and is authorized to continue to retain assistants including counsel and employees,
 - e. orders that EGR be authorized to formalize and perform existing and new trust agreements as in the normal course of its business,
 - f. orders that EGR be authorized to pay or otherwise deal with its creditors’ claims, whether arising before or after the making of the initial order, in accordance with the contracts and agreements in place or that may be agreed to, with the exception of certain claims by the Canada Revenue Agency (“**CRA**”) as set out in the draft order,
 - g. orders that EGR continue paying in the normal course any amounts arising due after the making of the initial order in respect of employee source deductions, sales taxes, and certain other taxes and amounts payable to governments,

- h. a stay of all proceedings, rights and remedies in respect of EGR, the Monitor, or EGR's business or property, except with the written consent of EGR and the Monitor or with leave of the court, and save specific exceptions as set out in the draft order,
- i. as part of such general stay, a stay of the Reassessments (as defined below), including a stay of any right of set-off between any Pre-Filing Tax Liability and any Post-Filing Tax Assets (as those terms are defined in the draft order),
- j. orders allowing the normalization of certain tax matters, including (i) orders that EGR, the Monitor and CRA make all reasonable efforts to agree on a protocol for the vetting and payment of post-filing input tax credits ("ITCs") under the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "ETA"),¹ (ii) orders that any ITC allowed by CRA or any Tax Enforcement Entity (as defined in the draft order) ("Allowed ITCs") before the initial order is made be paid to EGR without any set-off, and (iii) orders that ITCs claimed by EGR in respect of pre-filing reporting periods and that are assessed as Allowed ITCs after the initial order is made be paid without any set-off,
- k. a stay of proceedings against EGR's former, current and future directors,
- l. a directors' and officers' indemnity and charge (the "**Directors' Charge**") in the amount of \$100,000,
- m. an administration charge (the "**Administration Charge**") to secure payment of the standard professional fees and disbursements of the monitor, its counsel, and all of EGR's counsel, including restructuring and tax counsel, incurred both before and after the initial order and in respect of the herein proceedings and proceedings in

¹ Herein, "ITC" will also for simplicity broadly refer to net tax refund, i.e. the net amount CRA owes EGR in respect of GST/HST or otherwise for a GST/HST reporting period. Given the nature of EGR's business, this would be constituted almost exclusively of ITCs under the ETA.

respect of the Reassessments or similar proceedings, such Administration Charge being for a maximum amount of \$300,000,

- n. orders that the Administration Charge ranks first on all Property (as defined in the draft order) and that the Directors' Charge ranks immediately after the Administration Charge on all Property,
- o. that the E-Service Protocol of the Commercial List apply to the herein proceeding, and
- p. such other and attendant relief as set out in the draft order,

the whole as more fully set out in the draft order and along with such further and other relief as the court deems just.

I. OVERVIEW

- 2. Resort to CCAA relief is required due to (i) CRA's refusal to pay EGR's ITCs since August 2018 and (ii) the reassessments issued to EGR on or about July 28, 2020 in respect of reporting periods from June 1, 2016 to October 31, 2018 which are in excess of \$189,000,000, inclusive of interest and penalties (the "**Reassessments**").
- 3. The Reassessments are being challenged in the Tax Court of Canada ("**Tax Court**"). However, the Reassessments are enforceable notwithstanding contestation, EGR cannot pay them, and on or around October 8, 2020, CRA told EGR's Vice-President, Mr. Atef Salama, that CRA would commence enforcement measures on October 15, 2020. Subsequent discussions among counsel and CRA representatives confirmed enforcement would not begin before the 15th.
- 4. The relief sought in the initial order is intended for EGR to continue in its normal business operations, avoid liquidation, and obtain, as a first milestone of this restructuring, a decision on the merits of its case in Tax Court.

II. EGR'S BUSINESS DEPENDS ON ITCs

5. EGR is a corporation incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B-16 with its head office in Toronto. EGR is in the gold refining business.²
6. EGR is generally required to pay GST/HST to its customers on its “purchase” of unrefined gold.³ However, it does not collect GST/HST on its “sales” of pure gold because those are “zero-rated” under the ETA.⁴
7. This is unlike a typical GST/HST-registered business, who is usually collecting GST/HST on its sales, paying GST/HST on its inputs, and allowed to deduct the latter from the former without having to claim ITCs with CRA.
8. Instead, EGR must claim large amounts of ITCs from CRA and so EGR is in a constant, substantial monthly GST/HST net tax refund position as a normal part of its business operations. For example, for reporting periods from January 2018 to July 2018, EGR claimed monthly net tax refunds from around \$6.4 million to over \$9 million.
9. EGR's going concern capacity is therefore directly dependent on CRA acting with diligence in approving and paying ITCs.

III. THE AUDIT AND ITC WITHHOLDING

10. EGR's large monthly tax refunds subjects it to constant CRA audit and requests, with which EGR has always complied.
11. On November 6, 2018, CRA expanded an ongoing audit to cover the period from June 1, 2016 to October 31, 2018 (29 months) (the “**Audit**”).
12. On November 7, 2018, CRA announced it would withhold payment of any ITC due for August 2018 until completion of the Audit. EGR's tax counsel (“**Tax Counsel**”) wrote to

² EGR also deals with silver, platinum and palladium in a negligible proportion. For simplicity, and because the Reassessments relate only to gold transactions, this notice of application mostly refers to gold.

³ See the ETA, s. 165, 169(1)(c), and 123(1).

⁴ See the ETA, s. 165(3), s. 123(1), and s. 3 of Schedule VI of Part IX.

CRA demanding payment of the ITCs in accordance with the Minister's obligation to do so "with all due dispatch" under ETA s. 229.

13. On November 26, 2018, CRA announced it would not only continue to withhold any August 2018 ITCs, but also any future ITCs until completion of the Audit. It is unclear whether legal grounds exist to withhold payment of such off-audit ITCs.
14. In December 2018, EGR applied to the Tax Court for a *mandamus* order to compel CRA to process all August 2018 and later ITCs with due dispatch, which was heard before Justice Pentney on July 3, 2019.
15. On July 7, 2019, a mere 4 days after the hearing, CRA announced that the Audit would be expanded to also cover the period from November 1, 2018 to May 31, 2019 (an additional 7 months).
16. On May 12, 2020, Justice Pentney dismissed EGR's application for an order of *mandamus*, holding that, based on the evidence before him (i.e. as of early 2019), it was premature.

IV. THE PROPOSAL AND REASSESSMENTS

17. On May 27, 2020, CRA issued a proposal⁵ (the "**May 27, 2020 Proposal**") stating its intention to issue the Reassessments, i.e. reassess EGR for the period from June 1, 2016 to October 31, 2018 with the effect of (i) denying over \$133,000,000 in ITCs, (ii) imposing gross negligence penalties in excess of \$34,000,000, and (iii) the whole with interest, for a total of roughly \$189,000,000.
18. CRA revealed in the May 27, 2020 Proposal that it believes EGR knowingly participated in a type of tax refund fraud called a "carousel scheme". It states that CRA had completed a survey of the unrefined gold market in the greater Toronto area that determined average volumes and purities of unrefined gold and, effectively, that EGR's transactions with customers that fell outside these average ranges must have been transactions made as part

⁵ A "proposal" is a CRA letter notifying a taxpayer of the fact and reasons for an intended reassessment, and affording the taxpayer a reasonable opportunity to respond and/or normalize the situation before the reassessment is issued and becomes enforceable notwithstanding contestation.

of a “part of a carousel scheme” for which EGR was “a willing participant”. CRA says such transactions were therefore not in respect of “commercial activities” and did not give rise to ITCs.

19. Unfortunately, the May 20, 2020 Proposal is grossly imprecise and unsubstantiated, factually and legally. EGR, through Tax Counsel, responded in a letter dated July 10, 2020, vigorously denying those allegations, and explaining their imprecision and lack of factual and legal support.
20. In a letter dated July 28, 2020, CRA stated that it had completed the Audit, disagreed with Tax Counsel, and confirmed it would issue the Reassessments. Unfortunately, this July 10, 2020 response is also grossly inadequate. For example, CRA states on numerous occasions that information is deliberately *not* provided due to alleged “confidentiality” concerns. On another occasion, CRA also admitted to Tax Counsel that its assessment position had never been tested in the courts.
21. There are many other issues with the July 28, 2020 letter, and justification of the Reassessments generally. CRA persistently refused to respond to Tax Counsel’s reasonable requests for information.⁶
22. The Reassessments were issued on or about July 28, 2020 and EGR’s revenues and assets are insufficient to pay them. The Reassessments are being contested by Tax Counsel in Tax Court File No. 2020-1214(GST)G, but they enforceable notwithstanding contestation. EGR cannot pay them, and CRA represented it would commence enforcement measures on October 15, 2020.
23. In a letter dated August 12, 2020, CRA advised EGR that it was commencing a new audit for EGR’s reporting periods from November 1, 2018 to June 30, 2020 (19 months) (i.e., virtually all reporting periods directly following those targeted by the Reassessments).

⁶ See the CCAA, s. 18.6.

V. CRA CONTINUES TO WITHHOLD AUGUST 2018 AND LATER ITCs

24. CRA continues to withhold payment of any Allowed ITCs in respect of August 2018 and later periods, by offsetting those Allowed ITCs against the debt raised in the Reassessments, whether pursuant to section 318 of the ETA or otherwise.
25. If this is not normalized, as sought in the initial order, it is likely to prevent, in itself, the continuation of EGR's business and EGR obtaining determination on its case in Tax Court.

VI. REASONS FOR INSOLVENCY

26. But for the Reassessments and CRA's non-payment of ITCs, EGR would not be insolvent. Due solely to the Reassessments and CRA's non-payment of ITCs, EGR is insolvent.

VII. CREDITORS AND 13-WEEK CASHFLOW FORECAST

27. EGR is current in its ordinary course obligations except in respect of the Reassessments. This is despite an approximately 95% decline in its refining business due to COVID-19.
28. EGR has only one secured creditor in respect of a vehicle lease. EGR however holds deposits, gold bullion and forward contracts on behalf of some of its customers as part of its normal business operations. This, without admission, could be seen as some form of trust.
29. Provided the ITC situation can be normalized as sought in the draft initial order, EGR intends to operate normally and pay its pre- and post-filing creditors (excluding CRA as to the Reassessments) in the normal course during the CCAA proceeding. Based on its 13-week cash flow, it may require some cash infusions to do so, which will be addressed if and when necessary.

VIII. APPROPRIATENESS OF RELIEF SOUGHT

30. The relief sought in the draft order is within the court's CCAA jurisdiction and is appropriate in the circumstances. It aims to allow EGR to continue its normal business operations, avoid liquidation, and obtain, as a first milestone of this restructuring, a decision on the merits of its case in Tax Court. If successful in Tax Court, it is anticipated that EGR

is likely to formulate a viable arrangement (if one remains necessary) and continue in operations, to the benefit of its creditors, shareholders and employees.

31. Specifically, if CRA is allowed to continue withholding and/or offsetting Allowed ITCs, this will hamper EGR's ability to fund its operations, let alone an arrangement, and prevent EGR from exercising its rights against the Reassessments. In effect, CRA would hold EGR's restructuring attempts and Tax Court case in hostage. This is against the purpose of the CCAA and is within the court's jurisdiction to remedy.
32. Because of the immediate materiality of those issues, the relief sought is reasonably necessary for the continued operations of EGR in the ordinary course of business during the initial 10-day stay period.⁷

IX. MAIN LEGAL PROVISIONS APPLICABLE

33. The CCAA, including primarily its sections 10, 11, 11.001, and 11.02, 11.03 and 18.6.
34. The Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, including primarily rules 1.05, 2.03, 3.02 and 14.05(2).
35. Such other and further grounds as counsel may advise and the court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the application:

- a. the affidavit of Mr. Atef Salama sworn October 14, 2020,
- b. the consent of Deloitte Restructuring Inc. to act as Monitor,
- c. the pre-filing report of the proposed Monitor, and
- d. such further and other materials as counsel may advise and the court may permit.

⁷ CCAA, s. 11.001.

October 14, 2020

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Fax: 416-597-6477

Mario Forte (LSUC #27293F)

Tel: 416-597-6477

Email: forte@gsnh.com

Joël Turgeon (Student-at-Law)

Lawyers for Express Gold Refining Ltd.

Schedule “A” – Videoconference Details

Join Zoom Meeting

<https://zoom.us/j/96744819249?pwd=Nm9EcXFzZS9vaVZ6NVVnOFVONExZz09>

Meeting ID: 967 4481 9249

Passcode: 913745

One tap mobile

+13462487799,,96744819249#,,,,,0#,,913745# US (Houston)

+16465588656,,96744819249#,,,,,0#,,913745# US (New York)

Dial by your location

+1 346 248 7799 US (Houston)

+1 646 558 8656 US (New York)

+1 669 900 9128 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

Meeting ID: 967 4481 9249

Passcode: 913745

Find your local number: <https://zoom.us/u/acadQqasCA>

Court File No.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EXPRESS GOLD REFINING LTD.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO**

**NOTICE OF APPLICATION
(CCAA Initial Order)**

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Fax: 416-597-6477

Mario Forte (LSUC #27293F)

Tel: 416-597-6477

Email: forte@gsnh.com

Joël Turgeon (Member of the Bar of Quebec,
Ontario Student-at-Law)

Lawyers for the Applicant, Express Gold Refining Ltd.

TAB 2

Court File No.: _____

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EXPRESS GOLD REFINING LTD.
(the "Applicant")

**AFFIDAVIT OF ATEF SALAMA
(sworn October 14, 2020)**

I, Atef¹ Salama, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the Vice-President of the Applicant, Express Gold Refining Ltd. ("EGR"), and have been since 2001, and as such I have personal knowledge of the facts and matters hereinafter deposed to save and except where the same are stated to be based upon information or belief, and where so stated I verily believe the same to be true.

2. I graduated from the University of Toronto in 1998 with a degree in computer engineering. I also obtained a Masters of Engineering in Telecommunication, having graduated in 2001. Since 1999, I have been a licensed Engineer with Professional Engineers Ontario.

3. This Affidavit is sworn in support of an application by EGR for an order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), to preserve and protect the business and undertakings of EGR.

OVERVIEW

4. As will be discussed in greater detail below, EGR is a family business that was established in 1994 by my father. Its primary business is refining gold. It enjoys a good

¹ Sometimes spelled "Atif".

reputation among its suppliers and customers, and, but for the disputes with the Canada Revenue Agency (the “CRA”), which will be described in detail, would be a solvent and successful business with no need for the protections afforded by these proceedings.

5. EGR employs 14 people and operates a specialized facility in downtown Toronto. It performs various refining functions in that facility, and also arranges for the final stages of refining to be conducted by third-party refiners offsite. Its customer base is comprised primarily of jewellery manufacturers, wholesalers, importers/exporters, scrap gold consolidators/resellers, cash-for-gold buyers, prospectors and miners who seek to have their unrefined gold converted to pure gold so it can be used in industry, manufacturing, trade, investment or speculation.

6. EGR has historically viewed its refining activities as a service it provides to its customers. It typically earns 1 to 2% of the value of the gold refined as, in effect, fees for such refining services. However, despite that historical view and the economic reality that EGR’s refining activities are effectively services, I understand that, further to a CRA ruling, under Part IX of the *Excise Tax Act* (R.S.C., 1985, c. E-15) (the “ETA”), which governs the Goods and Services Tax/Harmonized Sales Tax (“GST/HST”), the relevant transactions are treated as a purchase of unrefined gold and a sale back of refined gold for GST/HST purposes.

7. This “buy/sell” treatment of gold refining transactions has important GST/HST implications. I understand that supplies of unrefined gold are subject to GST/HST, but supplies of refined gold are generally not. As a result, EGR pays GST/HST on the unrefined gold it is considered to have purchased from its customers, but does not collect GST/HST on the refined gold it is considered to have sold back to its customers. Since the GST/HST EGR pays is refundable in the form of input tax credits (“ITCs”), EGR is in a constant, large GST/HST refund position.

8. EGR lobbied against the buy/sell treatment with the CRA and the Department of Finance on the basis that it would have negative cash flow implications for EGR and would increase tax leakage risk for the CRA. With respect to the tax leakage risk, EGR was concerned that customers could potentially collect the GST/HST payable in connection to transactions with refiners like EGR, and then abscond with the GST/HST without remitting it to the CRA. EGR advocated for several alternative approaches to address those problems.

9. However, the approaches that EGR advocated for were rejected by the CRA and the Department of Finance. The buy/sell treatment of EGR's refining activities was confirmed in a ruling by the CRA Rulings Directorate in 2013 (the "**2013 Ruling**").

10. EGR has been under constant scrutiny from the CRA for over two decades, including two full-blown, multi-year audits from 2004 to 2013. EGR was fully cooperative with the CRA and devoted considerable resources to those audits. While the CRA proposed several substantial adjustments at various times during the audits, the audits ended without any material unrecoverable GST/HST being assessed. During those audits, the CRA withheld EGR's GST/HST refunds for months and years at a time, causing significant cash flow problems to EGR. However, the CRA ultimately paid the refunds, as it was obliged to do.

11. In September 2018, the CRA again stopped paying GST/HST refunds to EGR and commenced a GST/HST audit of EGR's reporting periods beginning in June 2016 to October 2018.

12. That audit spiralled out of control and ultimately resulted in this application becoming necessary. The CRA made inflammatory accusations of wrongdoing against EGR, but has refused to provide any evidentiary basis for those allegations. The only context that the CRA has provided for its allegations relate to its conclusions that the volume and purity level of unrefined gold purchased by EGR differed from certain volume and purity levels that the CRA considers benchmarks for the gold market in the Greater Toronto area. The CRA has never explained the details of the market it considers EGR to participate in. This matter is being challenged in the Tax Court of Canada.

13. I am confident that EGR will be able to disprove the CRA's allegations in the Tax Court of Canada. EGR has never participated in any wrongdoing.

14. However, EGR urgently needs this Court's protection because, the CRA has issued assessments totaling approximately \$180 million, rendering EGR insolvent and EGR has been contacted by CRA Collections officials threatening to take enforcement action forthwith.

15. Perhaps more importantly for purposes of this application, the CRA has also failed to refund any of the GST/HST that EGR has paid to its customers or any other commercial

suppliers from the August 2018 reporting period onwards. To date, the CRA has withheld approximately \$37 million of GST/HST refunds from EGR. EGR requires such refunds to pay its suppliers and operate its business – as discussed, it generally earns gross revenue of 1 to 2% of the value of the unrefined gold that it refines for its customers, but it is generally required to pay 13% in GST/HST to its customers and 13% GST/HST to its non-customer commercial suppliers. It is simply untenable for the CRA to require EGR to pay GST/HST on an ongoing basis but to refuse to refund that GST/HST to EGR.

16. It is not the purpose of this restructuring to compromise or seek to otherwise impair the ordinary course customers and suppliers of the business, but rather to provide a platform to accelerate the process to a hearing or resolution of the issues that have been alleged by CRA in the appropriate forum.

BACKGROUND

(a) EGR's Business and Ownership

17. EGR is a corporation duly incorporated under the laws of Ontario. It is a family-owned and operated business and the current iteration of the Salama family's involvement in the precious metals business that spans back four generations.

18. My parents immigrated to Canada from Egypt with me and my two brothers in July 1984, when I was 7 years old. My father is a third-generation precious metal dealer and jeweller, as well as a lawyer in Egypt

19. In April 1991, my father developed an interest in refining methods for precious metal and his interest extended into research and experimentation. EGR was incorporated in 1994 as a result of these activities.

20. In 2001, the same year that I received my Masters of Engineering, I took over most of the management responsibilities at EGR rather than pursuing a career in telecommunications. My father and my mother continue to be involved in EGR's activities.

21. All of the issued and outstanding shares in EGR are owned by family members through a corporation or the Atef Salama Family Trust.

22. I am the Vice President of EGR and a director. The other officers and directors are Nabil Salama, my father, who is President, and Mary Salama, my mother, who is Secretary.

23. EGR's primary business, which generates the substantial portion of its revenue has been gold refining.² A typical refining transaction in EGR's business primarily involves the following steps:

- a) receiving unrefined gold (typically in the form of gold jewelry or bars of melted scrap recycled gold) from a customer;
- b) melting and assaying the unrefined gold to determine the gold content;
- c) consolidating various lots of unrefined gold and forwarding them to a third-party refiner for the final stages of refining to convert the lots into pure gold; and
- d) payment in pure gold, wire, cheque or cash or sale of pure gold to the (often, same) customers.

24. As noted above, I understand that the receiving of unrefined gold from a customer and the transfer back of pure gold are treated as a purchase and sale for purposes of the ETA and that this was confirmed in the 2013 Ruling.

25. While its sales volume has been high, due in part to the high value of gold, EGR's gross profit margin on gold transactions is low (i.e., typically 1-2%) while being consistent with market rates. This margin is what EGR historically considered its "fee" for refining gold. Specifically:

- a) EGR purchased its unrefined gold based on the volume of gold content times the market rate, less a 1-2% discount;
- b) in turn, EGR sold the refined product (i.e., pure gold) at the market price; and

² More specifically, EGR's business also involves three other types of precious metals, silver, platinum and palladium. However, since gold refining is far more important to EGR's business than the refining of those other precious metals, since the dispute with the CRA involves only gold refining transactions, and for the sake of simplicity, gold is the focus of this affidavit.

- c) from that gross margin, EGR had to pay third-party refining fees, operating expenses and income tax.

26. At all relevant times, EGR has dealt with well-established third-party, final refiners, including the Royal Canadian Mint and, primarily, Asahi Refining Canada Limited (“**Asahi Refining**”) to perform the last stages in the refining process: chemical separation of the gold, pouring the pure gold into ingots or bars, and affixing London Bullion Market Association purity seals. Asahi Refining is the Canadian subsidiary of Asahi Holdings, Inc. a publicly traded company on the Tokyo Stock Exchange.

27. EGR also participates in the trading of gold bullion and forward contracts. EGR takes positions for EGR and for its clients based on short and long-term fluctuations in the price of gold, either for hedging purposes or for investment purposes. It buys and sells physical gold bullion on its own account. It takes positions in the gold futures markets using accounts with Asahi Refining, RJ O’Brien, FXDD, as well as Saxo Bank.

28. In connection with both its refining and trading activities, EGR holds deposits, gold bullion (and other precious metals) and forward contracts on behalf of its customers. In connection with its refining business, customers deliver unrefined gold to EGR, as discussed above. The transfer of the unrefined gold is considered a purchase. Once the customer’s gold has been valued, there is a settlement report created and the customer is paid at that time in cash, by wire, or in gold bullion.

29. In the ordinary course, for GST/HST-registered customers, EGR is charged 13% GST/HST on EGR’s purchase of the unrefined gold. EGR claims the GST/HST payable as an ITC and, after receiving the corresponding net tax refund for the ITC a few months later, EGR pays the applicable GST/HST to its customers by cheque or wire transfer to the customer’s account.

30. EGR also stores gold bullion on behalf of several of its customers with which it has a long-standing relationship of trust and, as noted above, takes positions on behalf of several of its long-standing customers in the gold futures markets using EGR’s accounts, either for hedging purposes or for investment purposes. EGR also occasionally holds cash in its accounts with

Asahi Refining, RJ O'Brien, FXDD as well as Saxo Bank on behalf of several of its long-standing customers, to facilitate the trading of gold bullion or gold future contracts.

31. EGR maintains a large transaction volume; however, its profit margins are small. For example, the purchase price for unrefined gold is dictated by the market price for gold times the purity of the recycled precious metal being purchased, less the 1 to 2% margin. Hedging contracts are used to protect against fluctuations in market price as they relate to buy and sell transactions. Unrefined gold purchased from a customer is hedged – for example where EGR accumulates 100 ounces of gold in bullion purchases plus gold content in unrefined gold purchases, then a sale contract is entered into at that time to balance the market fluctuation risks.

32. The business is conducted from a 5200 square foot facility located at 215 Victoria Street in Toronto comprising a dedicated customer area, with 11 customer booths as well as a melt room with 5 induction furnaces, 1 gas torch, 1 large burning oven, 3 x-ray assay machines, 3 wet chemical assay machines, 13 scales, 2 class 3 safes, and multiple desks and computers.

33. EGR enjoys a good reputation with its customers arising from its long history, its trustworthiness and its ability to refine gold in a timely manner. Both myself, my father and my mother are usually at EGR's business premises. Competitors often take two to three days to process a purchase of unrefined gold. At EGR, customers leave with their settlement payment right away. EGR has instantaneous assay machines, although some competitors have acquired similar machines. The combination of instant assay, transparent melting on the premises where customers can witness their gold being processed, and advanced access to pure gold and funds through the business relationship with Asahi, permit EGR to offer the "express" service for which it is known. Over the years, EGR has dealt with over 7000 customers. Its refining customers consist of jewellers, jewellery manufacturers, wholesalers, resellers/consolidators and prospectors and miners.

34. As a Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") reporting entity, EGR complied (and complies) with strict FINTRAC rules regarding customer identification.

35. EGR verifies that its customers who supply EGR with unrefined gold to be refined and charge EGR GST/HST are duly registered for GST/HST purposes using the CRA's online GST/HST registry.

(b) The GST/HST Implications of EGR's Business

36. EGR is a GST/HST registrant under Part IX of the ETA. It has monthly reporting periods under the ETA and therefore files its GST/HST returns on a monthly basis.

37. I understand that EGR's sales of unrefined gold are "taxable supplies" under the ETA, and subject to GST/HST at the full rate applicable in the relevant province (*i.e.*, 13% in Ontario),³ whereas EGR's supplies of refined gold (*i.e.*, gold with a purity level of at least 99.5% and in ingot or bar form) are "zero-rated",⁴ and therefore subject to GST/HST at a rate of 0%.⁵

38. I also understand that GST/HST that is paid to suppliers in the course of a commercial activity gives rise to ITCs,⁶ and that when a registrant's ITCs exceed the GST/HST it has collected in a reporting period, it is entitled to a net tax refund from the CRA.⁷

(c) EGR's Historical Interactions With the CRA

39. Prior to September 2004, EGR was subject to periodic audits by the CRA to verify EGR's ITC claims. Those audits generally involved EGR providing the CRA with information and documentation to support its ITC claims, and the CRA reviewing such information and documentation without conducting any on-site visits of EGR's premises. Despite those audits, EGR consistently received its net tax refund from CRA within approximately 30 to 45 days of filing each monthly GST/HST return.

40. Between 2004 and 2013, EGR was subject to constant and extensive CRA GST/HST audit activity including two full-scale GST/HST audits spanning multiple years each. EGR was

³ See the general taxing provisions contained in subsections 165(1) and (2) of the ETA and the CRA Ruling.

⁴ Section 3 of Part IX of Schedule VI and of the ETA and the definition of "precious metal" in section 123 of the ETA.

⁵ Subsection 165(3) of the ETA.

⁶ Subsection 169(1) of the ETA.

⁷ Subsection 225(1) and subsections 228(1) and (3) of the ETA.

always fully cooperative and devoted considerable resources to complying with the CRA's requests for information and documentation. During that time, the CRA withheld EGR's net tax refunds for many months at a time, causing considerable cash flow difficulties. Multiple audit theories were raised by the CRA and ultimately abandoned.

(i) *The CRA's First Full-Scale Audit*

41. During a full-scale audit from October 2004 until January 2006, the CRA performed a substantial review of EGR's records and accessed EGR's premises for several weeks. During that audit, the CRA proposed adjustments on the basis that EGR sold "gold cut bars" to its customers, which would be subject to GST/HST, rather than standard gold bars. However, the CRA ultimately abandoned that position and did not issue any reassessments. EGR's net tax refunds had been withheld for 16 months, causing significant cash flow issues.

42. Later in 2006, a second auditor recreated much of the work that the first auditor had performed, and EGR's net tax refunds were again put on hold.

43. In an internal CRA note dated May 2006 (which EGR obtained under an access to information request), a CRA official stated as follows:

[EGR's audit and certain audits of other unrelated parties] have been ongoing for over a year/two years [...]. Our auditees are understandably applying pressure to obtain the requested refunds and are in a position to apply for writs of mandamus.

44. A copy of that note is attached to this Affidavit as **Exhibit "A"**.

45. Later in 2006, a third auditor again recreated much of the work that the first and second auditors had performed. In November 2006, that auditor proposed to issue reassessments to EGR for \$12 million in uncollected GST/HST based on an interpretation of the ETA that differed from EGR's interpretation. The interpretive issue was essentially whether refined gold in grain form (rather than a bar, ingot, etc.) constitutes a "precious metal" under the definition of that term in subsection 123(1) of the ETA (and is thus zero-rated for GST/HST purposes). At that time, EGR would from time to time deliver refined gold to its customers in grain form. A copy of the CRA's reassessment proposal letter is attached to this Affidavit as **Exhibit "B"**.

46. However, under the CRA's interpretation, EGR would also have been entitled to ITCs for GST/HST payable to the third-party refiners. That point was made by EGR to the CRA in a submission dated January 3, 2007, a copy of which is attached as **Exhibit "C"**.⁸

47. In a letter dated June 29, 2007, the CRA agreed that such ITCs would be available, reducing the proposed adjustments from approximately \$12 million to approximately \$3,000 in net tax. A copy of the CRA's letter dated June 29, 2007 is attached as **Exhibit "D"**.

48. Nonetheless, even though the CRA had concluded that EGR was entitled to the net tax refunds it had claimed, the CRA continued to withhold the refunds. EGR requested multiple times for the CRA to pay the refunds, including in a letter dated January 11, 2008, a copy of which is attached as **Exhibit "E"**. The CRA finally issued reassessments in accordance with the letter dated June 29, 2007 on March 28, 2008, and thereafter paid refunds totaling over \$750,000. A copy of the results portion of those notices of reassessment are attached as **Exhibit "F"**.

49. The CRA again inexplicably withheld EGR's net tax refunds for months at a time in 2008 and 2009 but those refunds were eventually paid.

(ii) *The Second Full-Scale Audit*

50. In March 2010, the CRA commenced a second full scale GST/HST audit of EGR and began withholding EGR's net tax refunds.

51. During that audit, the CRA again performed a substantial review of EGR's records. The CRA auditor indicated early in the audit that GST/HST paid by EGR on its purchases of unrefined gold might constitute "business losses", such that ITCs would not be recoverable. Thankfully, the CRA ultimately abandoned that position.

52. On August 6, 2010, EGR sent a letter to the CRA outlining its previous interactions with the CRA and requesting that its net tax refunds be paid. At that point, more than \$350,000 worth of net tax refunds were outstanding dating back to August 2009. Having received no response

⁸ Note that the relevant letter was sent on behalf of EGR by its counsel, Stephen K. D'Arcy, then of Bennett Jones LLP (now Justice at the Tax Court of Canada). Much of EGR's correspondence with the CRA over the years was made by EGR's representatives acting on behalf of EGR. For purposes of this Affidavit, references to interactions between EGR and the CRA should be considered to include such interactions that were conducted by way of EGR's representatives.

from the CRA, follow up letters were sent October 6, November 2, and December 22, 2010. Copies of these letters are attached to this Affidavit as **Exhibit “G”**.

53. In January 2011, the CRA issued reassessments confirming EGR’s entitlement to the net tax refunds, but the CRA only refunded approximately \$250,000 of a total of about \$800,000 in net tax refunds owing.

54. By way of letter dated March 14, 2011, the CRA proposed to reassess EGR on two bases that also depended on alternative interpretations of the ETA and alternative characterizations of EGR’s transactions with its customers and third-party refiners. A copy of that letter is attached as **Exhibit “H”**.

55. Between May 2011 and January 2012, a meeting was held with the CRA, and several detailed submissions were made to the CRA in connection with the CRA’s audit theory. A copy of EGR’s submission dated July 15, 2011 is attached as **Exhibit “I”**.

56. In January 2012, the CRA audit team indicated that the issue would be referred to the Rulings Directorate at CRA Headquarters. A letter referencing that referral is attached as **Exhibit “J”**.

57. Following the referral to CRA Headquarters, there were numerous discussions and correspondence between EGR, the CRA and the Department of Finance regarding the treatment that should be afforded to gold refining activities under the ETA. EGR and its advisors submitted that EGR’s transactions with its customers should be treated as a service under the ETA (such that GST/HST would only apply on the fee charged for the refining). Alternatively, EGR submitted that subsection 153(3) of the ETA could apply to those transaction on the basis that they involve the exchange of property of same class or kind (i.e., gold), which would result in no GST/HST applying whatsoever.

58. EGR and its advisors noted that, if EGR’s transactions with its customers were instead treated as a purchase of unrefined gold and a sale back of refined gold, it would have negative cash flow implications for EGR and would increase tax leakage risk for the CRA.

59. Specifically, on March 29, 2012, EGR's representatives wrote a letter warning the Department of Finance that the CRA's position "will have the obvious but unfortunate consequence of increasing the risk of further tax evasion in an industry where fraudulent practices have already been identified (and prosecuted)." A copy of that letter is attached to this Affidavit as **Exhibit "K"**. Similarly, in a November 9, 2011 submission to the CRA, a copy of which is attached as **Exhibit "L"**, EGR's representatives stated:

Ironically, the CRA's proposal increases the risk of tax leakage and tax fraud. In fact, given the CRA's recent experience with fraud in the gold industry, which primarily involved suppliers who collected but failed to remit GST/HST, it is to the CRA's benefit that subsection 153(3) of the ETA apply to the transactions between EGR and its clients. That is, the CRA's proposal contemplates the collection of GST/HST by large numbers of businesses, which complicates the administrative process for the CRA and increases the risk of tax leakage. As each of the parties would be able to recover the GST/HST payable by way of ITC, there is no financial benefit to the CRA in not applying subsection 153(3) to these transactions.

60. In January 2013, the Rulings Directorate issued the 2013 Ruling, which took the form of a detailed, 12-page memorandum with respect to the treatment of EGR's business operations under the ETA. A copy of the 2013 Ruling is attached as **Exhibit "M"**. Notwithstanding EGR's submissions, the 2013 Ruling held that EGR's transactions with its customers should be treated a purchase of unrefined gold and a sale back of refined gold.

61. EGR has subsequently followed the framework set out in the 2013 Ruling.

62. By way of letter dated February 11, 2013, the CRA proposed to issue reassessments to EGR in accordance with the approach set out in the 2013 Ruling. A copy of that letter is attached as **Exhibit "N"**. Specifically, the CRA proposed to assess EGR approximately \$1.5 million in GST/HST on transactions whereby EGR received unrefined gold from its customers and returned refined gold to them in grain form (i.e., a similar issue to the issue raised in 2006). The CRA assessed on the basis that the sale of refined gold in grain form was subject to GST/HST, which EGR had failed to collect and remit to the CRA. The CRA implemented its proposal by way of reassessments dated November 14, 2013. Those reassessments resulted in "wash transactions", as EGR was able to charge the relevant GST/HST to its customers and they were also presumably able to recover such GST/HST as ITCs.

(iii) *Interactions from 2013 to 2018*

63. Since 2013, EGR has been engaged in constant interactions with the CRA regarding its GST/HST practices, primarily in the form of responding to information requests from CRA with respect to EGR's customers.

64. EGR has hired a full-time staff member to deal with the added burden of CRA's on-going inquiries with respect to GST/HST matters.

65. Since the beginning of 2017, EGR has responded to at least 36 separate inquiries from tax authorities (primarily the CRA), generally involving GST/HST payments made to EGR's customers. Many of the responses included hundreds of pages of documentation. An EGR employee involved in handling those various information requests, prepared a chart summarizing these inquiries and EGR's responses since the beginning of 2017. That chart and copies of the requests themselves are attached as **Exhibit "O"** to this Affidavit.

66. The CRA also conducted a payroll account examination of EGR in late 2017, for which EGR provided the CRA examiner with extensive books and records for review. A copy of the CRA's letter in connection with the audit is attached as **Exhibit "P"**.

67. After the 2013 Ruling was issued, EGR regularly received requests from its customers requesting that EGR pay them GST/HST on past purchases. These requests arose out of CRA reassessments issued to such customers. That, in turn, significantly increased EGR's monthly ITC claims. In a letter dated February 1, 2013, EGR requested confirmation from the CRA that the CRA reassessment proposal documentation EGR was provided by customers met documentary requirements for EGR to claim ITCs. A copy of that letter (without attachments) is attached as **Exhibit "Q"**.

68. Since the 2013 Ruling, EGR's core gold refining operations have not materially changed.

(iv) *2018 Meetings with Toronto West CRA Officials*

69. On February 22, 2018, EGR received a letter from CRA officials from the Toronto West Tax Services Office requesting to review EGR's books and records for the purpose of verifying the ITCs claimed. The CRA did not take issue with any of EGR's ITC claims as a result of this

review; however, these ITC claims were the subject of the later audit (discussed in detail below) and many of them were subsequently denied as a result of that audit. A copy of the letter is attached as **Exhibit “R”**.

70. In March and April 2018, I met with those CRA officials in connection with that review. During those meetings, one of the officials noted that he had initiated certain earlier audits of EGR, indicated that he was familiar with EGR’s affairs, highlighted general issues with GST/HST fraud in the gold industry, acknowledged that EGR was clearly not involved in any such fraud, and requested EGR’s assistance in combatting such fraud, both by remitting the GST/HST owing to customers directly to the CRA, and by supporting and advocating for legislative amendments with the Department of Finance.

71. Following that meeting, EGR made inquiries with other officials within the CRA about the aforementioned meetings with officials from the Toronto West Tax Services Office. EGR was informed that the CRA officials from the Toronto West Tax Services Office who had met with me had not been acting in their formal capacity as CRA officials, such that there would be no point in continuing interactions and discussions with them. On that basis, EGR took no further steps with respect to the meetings.

(d) The Most Recent Audit, Judicial Review Application and \$180 Million Assessments

72. By way of letter dated October 4, 2018, the CRA informed EGR that EGR’s August 2018 GST/HST return was under audit by the Toronto West Tax Services Office (by different officials than those who had been involved in the meetings in March and April 2018). The letter also requested certain information and documentation for purposes of the audit. A copy of that letter is attached to this Affidavit as **Exhibit “S”**.

73. On October 15, 2018, I met with the CRA auditor and her team leader and provided them with all requested information and documentation.

74. On November 6, 2018, a CRA auditor from the Saskatchewan Tax Services Office contacted me and advised me that the CRA was expanding the audit to a full-scale GST/HST audit covering the period from June 1, 2016 to October 31, 2018. That auditor requested EGR’s full software backup for the period and advised that she would be asking for numerous invoices

and other documents. The auditor also stated that the CRA would not be paying any net tax refunds to EGR for its reporting periods from August 2018 forward, including reporting periods not under audit (the “**Decision**”). She indicated that the basis for the Decision was that CRA had identified high risk in the gold industry. However, she stated that she could not identify any specific risk vis-à-vis EGR.

75. On November 7, 2018, EGR sent a letter to the auditor providing a detailed chronology of EGR’s interactions with the CRA over the years and demanding that EGR’s net tax refunds be paid pursuant to the CRA’s obligations under section 229 of the Act. A copy of that letter is attached as **Exhibit “T”**.

76. On November 26, 2018, the auditor responded and confirmed the Decision in writing, indicating that all net tax refunds claimed by EGR for its August 2018 reporting period forward were being withheld by CRA until the full audit was complete. A copy of that letter is attached as **Exhibit “U”**.

77. On the same day, the auditor also wrote to EGR requesting various information as part of the audit. A copy of that letter is attached as **Exhibit “V”**. I subsequently provided her with all requested information.

78. On December 6, 2018, EGR challenged the Decision by way of an application for judicial review in Federal Court. A copy of the notice of application is attached as **Exhibit “W”**. In the application, EGR took the position that the Minister of National Revenue (who acts through her delegates at the CRA) did not have the jurisdiction to withhold EGR’s net tax refunds, because she was required to pay the refunds “with all due dispatch” under section 229 of the Act. EGR sought an order of *mandamus* requiring the net tax refunds to be paid.

79. In January 2019, the auditor and her team leader traveled to Toronto and conducted on-site audit activity at EGR’s premises for a week. During that time, they interviewed me for a full day, toured EGR’s facilities and reviewed EGR’s records. When I asked them whether EGR should continue paying GST/HST to its GST/HST-registered customers, even though the CRA was refusing to pay ITC refunds for that GST/HST, they stated that EGR should. They also

informed me that they also attended Asahi Refining's premises and obtained documentation referable to EGR's transactions with Asahi Refining.

80. In connection with the judicial review application, a CRA official from CRA's Headquarters testified under oath that the CRA's goal was to complete the audit by September 2019, and that the CRA did not have concerns about EGR's compliance with the ETA. He also acknowledged under oath that the CRA's concerns about non-compliance by other industry participants, including EGR's customers, are irrelevant to EGR's entitlement to ITCs.

81. The judicial review application was heard by Justice Pentney on July 3, 2019. During the hearing, Justice Pentney asked the Department of Justice lawyer whether he could cite a legal basis for the CRA not paying net tax refunds for reporting periods that were not under audit. At that time, the CRA was withholding approximately \$10 million in net tax refunds for reporting periods outside of the period under audit. The Department of Justice lawyer acknowledged that he was unable to cite such a legal basis.

82. On July 9, 2019, just four business days after the hearing, the CRA sent a letter to EGR indicating that the audit was being expanded again to include additional reporting periods (for which net tax refunds were being withheld). A copy of that letter is attached as **Exhibit "X"**.

83. On July 22, 2019, the CRA issued GST/HST notices of reassessment to EGR with no warning whatsoever (the "**2019 Reassessments**"). The reassessments related to EGR's June 1, 2016 to July 31, 2018 reporting periods, for which no net tax refunds were outstanding. They increased EGR's net tax for those periods by almost \$10 million (approximately the same amount of outstanding net tax refunds as of the time of the hearing) and imposed gross negligence penalties and interest. A copy of the 2019 Reassessments is attached as **Exhibit "Y"**.

84. The following day, EGR received letter from the CRA, which noted that the reassessed periods "remain under audit and subsequent (re)assessment(s) may be issued for the same periods". In other words, the reassessments were provisional. A copy of that letter is attached to this Affidavit as **Exhibit "Z"**.

85. With respect to the basis for the reassessments, the letter indicated that ITCs were denied in respect of invoices from 10 different customers. The letter also made various inflammatory (and contradictory) allegations, including the following:

The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations. [...]

Audit has concluded that [the relevant customers] did not, and in fact could not have, supplied the unrefined gold purportedly purchased by EGR. Audit has concluded that these 10 suppliers are missing traders [...]

As these missing traders are said to deal directly with EGR, and yet did not make supplies to EGR, EGR must have direct involvement in the GST/HST scheme, tantamount to intentional deceit. [...]

Audit has concluded that all of these suppliers are missing traders, and as a result did not supply EGR with the unrefined gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to EGR, it would be our position that this unrefined gold was a supply of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices.

86. With respect to the CRA's alternative allegation that the transactions related to a "carousel scheme", the CRA explained that a carousel scheme involves a group of persons colluding to create fraudulent GST/HST refunds. The CRA explained that, in the gold refining context, a carousel scheme would involve a customer transacting with a refiner to refine gold, collecting the relevant GST/HST from the refiner, debasing the refined gold with other metals such as zinc, copper or silver in order to change its status for GST/HST purposes, transacting again with the refiner, collecting the relevant GST/HST, etc., until ultimately the customer absconds with the GST/HST without remitting it to the CRA.

87. The CRA's allegations are demonstrably false. The fact that the CRA felt the need to make contradictory, alternative allegations of wrongdoing is telling.

88. With respect to the CRA's first allegation that EGR created false invoices, EGR keeps scrupulous records and can prove beyond any doubt that it transacted with its customers as shown in its invoices (indeed, the CRA seemingly de-emphasized that allegation in subsequent reassessments, as discussed above).

89. EGR can (and will) also disprove the CRA's second allegation that EGR participated in a carousel scheme beyond any doubt. Over the years, EGR has always conducted its business with integrity and in compliance with its legal obligations. EGR has been exceedingly careful in ensuring that its customers are properly identified and GST/HST-registered. The steps that EGR has taken in this regard include the following:

- a) EGR turned away potential customers if they failed to meet EGR's strict onboarding identification requirements;
- b) EGR never transacted with customers if it had any suspicion that they might be engaged in nefarious activities;
- c) EGR stopped transacting with customers on several occasions when the CRA advised EGR that the customer was noncompliant with its GST/HST obligations;
- d) EGR has, for decades, always been fully cooperative with the CRA, other regulators and law enforcement agencies in many different contexts;
- e) EGR confirms that its customers' GST/HST registrations are in good standing with the CRA at the following times: (1) on the initial intake of a customer, (2) on a monthly basis when EGR claims ITCs for GST/HST paid or payable to a customer, and (3) prior to paying GST/HST to a customer; and
- f) EGR generally does not make GST/HST payments to its customers until it has received a corresponding net tax refund from the CRA (relying on the CRA's refund as validation of the customer's legitimacy) and has verified the customer's GST/HST registration number on the three separate occasions described above.

90. On August 20, 2019, EGR filed notices of objection to challenge the 2019 Reassessments. A copy of those notices of objection is attached as **Exhibit "AA"** (without appendices).

91. On September 20, 2019, EGR made a motion in connection with its judicial review application requesting that the hearing be reopened to allow additional evidence relating to the CRA's post-hearing actions. EGR submitted that the 2019 Reassessments appeared to be

intended to establish an artificial debt in order to mitigate against or completely blunt a potential *mandamus* order from the Federal Court, and represented further evidence that the CRA was refusing to pay net tax refunds with all due dispatch in the manner required under the ETA.

92. On March 16, 2020, EGR filed a Notice of Appeal in the Tax Court of Canada pursuant to paragraph 306(b) of the ETA in order to dispute the 2019 Reassessments. A copy of the Notice of Appeal is attached as **Exhibit “BB”**.

93. On May 12, 2020, the Honourable Justice Pentney dismissed EGR’s application for an order of *mandamus* and also dismissed the motion to reopen the hearing. Justice Pentney held that, based on the evidence before him, the application for *mandamus* was premature. He held that the CRA’s duty to pay net tax refunds with due dispatch does not displace the Minister’s authority to verify a claim before paying a refund so long as the audit is conducted with due dispatch. He stated:

[82] On the facts of this case, I am not persuaded that a sufficient time had elapsed for the conduct of the audit before the Applicant launched this application. It should be recalled that the argument centres on the audit of the August 2018 return, which was filed on September 6, 2018. The Applicant was advised on October 4, 2018 that an audit had commenced. On November 7, 2018, the Applicant’s representative wrote to demand that the net tax refund be paid, and it launched this proceeding on December 6, 2018. Unlike the situation in *Nautica Motors*, I do not find that this was a sufficient time to complete the audit.

94. A copy of Justice Pentney’s decision is attached as **Exhibit “CC”**.

95. By way of letter dated May 27, 2020 (the “**May 2020 Proposal Letter**”), the CRA proposed to deny ITCs totaling \$133,451,149.90 in connection with its audit of EGR’s reporting periods from June 1, 2016 to October 31, 2018 (which, apart from the periods from August 1 to October 31, 2018, had already been reassessed pursuant to the 2019 Reassessments). The CRA alleged that the ITCs related to invoices from 66 of EGR’s customers that were “part of a carousel scheme”, and that EGR “is a willing participant in the carousel scheme”. A copy of the May 2020 Proposal Letter is attached as **Exhibit “DD”**.

96. Unlike the proposal letter preceding the 2019 Reassessments, the CRA did not make any allegations that EGR had created false invoices or misrepresented its transactions with its customers.

97. It is notable that the CRA's conclusions in the May 2020 Proposal Letter were expressly only made "on a balance of probabilities". In addition, the only basis for the allegations relates to certain general calculations that the CRA apparently made regarding the gold refining market in the greater Toronto area, and purported differences between EGR's business and that of a typical market participant. The CRA's calculations were as follows:

- a) the weighted purity of unrefined gold purchased by EGR was 83%, while the "expected range" in the market would be 50% to 65%; and
- b) 90% of EGR's volume of unrefined gold purchases were from only 20% of EGR's customers, and those customers were, on average, doing almost double the weekly volume used as a "benchmark" by the CRA (while refusing, despite being asked, to provide any detail whatsoever of what either their "expected range" or "benchmark" is actually based upon).

98. In the May 2020 Proposal Letter, the CRA also alleged that EGR had failed to exercise sufficient diligence with respect to its customers, suggesting that EGR should have vetted customers based on factors like credit score (even though the CRA did not dispute that EGR was compliant with its customer identification obligations under the ETA and FINTRAC).

99. Following the issuance of the May 2020 Proposal Letter, EGR repeatedly requested that the CRA disclose the assumptions and data forming the basis for the CRA's calculations so that EGR could explain why EGR's business might be different from a typical market participant, or explain why the benchmarks used by the CRA are inapplicable to the market that EGR actually participates in. The CRA repeatedly refused under the guise of confidentiality.

100. On July 10, 2020, EGR wrote to the CRA and stated that the "lack of disclosure puts EGR in an impossible situation and deprives it of the most basic fairness and due process, especially given the nature and seriousness of the allegations contained in the [May 2020 Proposal Letter] and their potential fatal impact on EGR". EGR also noted that the CRA's assumptions and data would be general market information that would not contain identifying information, such that they would not be confidential. EGR also noted that, under paragraph 295(5)(b) of the ETA, the CRA would be permitted to provide EGR with confidential

information that can be reasonably regarded as necessary for the purposes of determining EGR's liability under the ETA. A copy of that letter is attached as **Exhibit “EE”**.

101. However, in a letter dated July 28, 2020, the CRA continued to refuse to release the information and insisted on issuing the proposed reassessments. The CRA even weaponized EGR's good faith attempts to lobby the CRA and the Department of Finance to address the risk of tax leakage in connection with the GST/HST treatment of gold refining. The CRA stated that “[t]he explicit warning by Salama to the CRA and Department of Finance only solidify our position that Salama knew the vulnerabilities of the GST/HST system, and took advantage of those vulnerabilities”.⁹ That EGR's pursuing in good faith the democratic processes which are part of our community, to effect positive change in suggesting legislative and policy steps, would be used by the CRA as evidence against us has disturbed me greatly.

102. On July 29, 2020, the CRA issued notices of reassessment for EGR's reporting periods from June 1, 2016 to October 31, 2018 (the “**2020 Reassessments**”). A copy of the 2020 Reassessments is attached as **Exhibit “FF”**. The 2020 Reassessments maintained the adjustments made by way of the 2019 Reassessments, denied additional ITCs, and also imposed gross negligence penalties. In total, the 2020 Reassessments imposed tax, penalties and interest totaling \$189,531,562.93.

103. Details regarding the current status of EGR's ITC refund claims and the amounts owing to and from EGR with respect to its reporting periods from June 1, 2016 to August 31, 2020, following the issuance of the 2019 Reassessments and the 2020 Reassessments, are contained in **Schedule 1** to this Affidavit.

104. By way of letter dated August 12, 2020, the CRA advised EGR that it was commencing a new GST/HST audit for EGR's reporting periods from November 1, 2018 to June 30, 2020.

105. On September 11, 2020, EGR amended its existing Tax Court appeal by filing a Fresh As Amended Notice of Appeal in connection with the 2020 Reassessments for the reporting periods that were also the subject of the 2019 Reassessments (*i.e.*, the June 1, 2016 to July 31, 2018 reporting periods). A copy of the Fresh As Amended Notice of Appeal is attached as **Exhibit**

⁹ Page 4.

“GG”. EGR will file notices of objection in due course to dispute the 2020 Reassessments for the remaining reporting periods (*i.e.*, the August 1 to October 31, 2018 reporting periods).

106. By way of letter dated September 17, 2020, the CRA denied EGR’s request for disclosure of the CRA’s audit file, citing the Tax Court appeal and involvement of Department of Justice. A copy of that letter is attached as **Exhibit “HH”**.

Comments on the Basis For the 2020 Reassessments

107. My family has operated honourably in the precious metals business for four generations, and EGR has built a reputation for trustworthiness since 1994. More than most businesses, EGR’s business depends on maintaining that reputation of trust. EGR’s customers regularly entrust EGR with possession of valuable precious metals and substantial amounts of money. I would never jeopardize my reputation, my family’s reputation and EGR’s reputation by participating in fraud.

108. The CRA’s allegations are based on “audit assumptions” unsupported by the disclosure of any evidence as discussed above. Furthermore, the CRA has never explained the benefit to a trusted and established market participant, EGR, of participating in the purported scheme. It simply does not stand to reason that EGR would pay 13% in GST/HST under fraudulent circumstances, placing it in a position of depending on the CRA to pay ITC refunds (which historically have been difficult to obtain), risking its business and risking criminal charges – all to earn a fee of 1 to 2%.

109. In particular, it does not stand to reason when it is considered that EGR has been under virtually constant audit scrutiny from the CRA since 2004.

110. What seems more reasonable is that the CRA is concerned about flaws in the GST/HST treatment of the gold refining industry that lead to tax leakage and, rather than seeking to address those flaws through changes in legislation or policy, it is seeking to wipe out that industry. If that is the case, it is particularly ironic that the CRA is seeking to destroy EGR, which had advocated to the CRA and the Department of Finance, in good faith, for legislative and policy fixes to those very flaws.

111. Moreover, as was noted in passing in Tax Counsel's letter to CRA dated July 10, 2020 (**Exhibit "EE"**), CRA acknowledges that their current position places a novel theory of responsibility on EGR, and one which in any practical sense is unable to be addressed in the real commercial world by market participants, including EGR.

112. Finally, the fact that EGR is requesting the transparency and oversight of these proceedings shows that the CRA's allegations are wrong. If EGR participated in wrongdoing, it would never expose itself to the scrutiny of the CCAA process and would never invite the proposed monitor to implement and oversee controls over its business.

FINANCIAL POSITION OF EGR

(a) Cash position

113. EGR is generally able to meet its ordinary course obligations as they become due apart from the liabilities associated with the 2019 Reassessments and the 2020 Reassessments.

114. As noted above, EGR's refining business generated approximately 80% of its revenue from the refining business. However, EGR's refining business has declined by approximately 95% as a result of the COVID-19 pandemic. I anticipate that the refining business will increase as businesses re-open.

115. As noted above, EGR also holds trading and hedging positions for certain customers in cash, precious metals and/or forward contracts. I will discuss this in greater detail under the heading "Customer Arrangements" commencing at paragraph 140, below. The following charts outline EGR and their customer positions as at September 30, 2020:

As at September 30, 2020	Held at		Total
	EGR	CIBC	
Total Cash Position			
CAD	864,528	2,518,754	3,383,282
USD	594,115	591,485	1,185,600
Less Customer Amounts			
CAD	-	451,250	451,250
USD	-	-	-
EGR's Cash Position			
CAD	864,528	2,067,503	2,932,032
USD in CAD equivalent	791,540	788,036	1,579,575
	<u>1,656,068</u>	<u>2,855,539</u>	4,511,607

As at September 30, 2020	Held at
	EGR
Total Inventory Position in Base Unit	
Gold	1,183.05
Silver	45,344.33
Platinum	112.98
Palladium	16.51
Less Customer Amounts	
Gold	689.54
Silver	11,793.93
Platinum	32.15
Palladium	-
EGR's Inventory Position	
Gold	493.51
Silver	33,550.39
Platinum	80.83
Palladium	16.51

As at September 30, 2020	
Total Account Value	
Held at	CAD equivalent
Asahi	3,776,215
Asahi Refining	393,429
RCM	55,001
Saxo	688,992
FXDD	370,817
RJO	174,074
Total	5,458,528
Customer Account Position in CAD	(4,912,686)
	545,842
Forward Contracts Positions (Unrealized)	
With Customers	(30,414)
With Third Parties	6,025
	(24,388)

(b) Bullion Buyers

116. EGR transacted business with 363 bullion buyer customers who purchased gold from EGR from May to July 2020 with sales totaling \$29.9 million, excluding GST/HST (\$30.0 million including GST/HST). EGR transacted with 25 bullion buyers with average monthly sales greater than \$100,000 (ranging from average monthly sales of \$772,302 to \$104,100). Such bullion buyers can be identified upon request (keeping in mind that identifying them in a public document could expose them to the risk of robbery).

(c) Gold vendors

117. During May to August, 2020, to supply bullion buyers, EGR purchased from bullion vendors and also supplied bullion derived from the refining of unrefined gold purchases. There were 468 gold vendors from May to August 2020 with EGR's purchases totaling \$40.5 million excluding GST/HST (\$40.7 million including GST/HST).

118. EGR transacted with 26 gold vendors with average monthly purchases greater than \$30,000 (ranging from average monthly purchases of \$3,573,026 to \$30,409). Such vendors can be identified upon request (keeping in mind that identifying them in a public document could expose them to the risk of robbery and theft).

119. Up to this point, we have been forced to advise our gold vendors that GST/HST payments on purchases cannot be made until a resolution is reached with the CRA regarding the CRA's payment of ITC refunds to EGR. This has caused EGR to lose certain vendors who will now only transact with competitors. However, EGR has been continuing business with certain long-term gold vendors under this new arrangement.

120. The chart below outlines a summary of EGR's aggregate creditors as of August 31, 2020:

Type of Creditor	Number of Creditors	Total Amount Owing
Customers with GST/HST owing	94	32,620,607
Customer Accounts	57	1,991,142
Other Suppliers	13	516,718

121. The foregoing is provided for illustration and does not change materially on a monthly basis

(d) Financial Statements

122. EGR's last compiled financial statements was for the year ended May 31, 2019:

Express Gold Refining Ltd.

Balance Sheet

As at May 31, 2019

(Unaudited)

	2019	2018
	\$	\$
Assets		
Current Assets		
Cash	5,355,214	12,251,750
Marketable securities	254,865	255,834
Accounts Receivable	35,515,994	11,684,967
Due from related parties	2,746,744	1,340,025

Express Gold Refining Ltd.

Balance Sheet

As at May 31, 2019

(Unaudited)

Income taxes recoverable	-	16,995
Inventories	3,368,157	4,074,538
Prepaid Expenses	13,500	16,604
	47,254,474	29,640,263
Property and Equipment	280,091	305,662
	47,534,565	29,945,925
Liabilities		
Current Liabilities		
Accounts Payable and accrued liabilities	41,886,810	26,796,322
Income taxes payable	738,374	-
Due to related parties	911,965	915,449
	43,537,149	27,711,771
Shareholders' equity		
Share capital	98	105
Retained earnings	3,997,318	2,234,049
	3,997,416	2,234,154
	47,534,565	29,945,925

123. As at May 31, 2019, EGR had approximately \$5.4 million in net available cash on hand.

124. As at May 31, 2019, EGR's assets had a book value of approximately \$47.5 million and liabilities of approximately \$43.5 million. The majority of EGR's assets on its balance sheet relate to accounts receivable of \$35.5 million, while the majority of EGR's liabilities on its balance sheet relate to accounts payable and accrued liabilities of \$41.9 million.

125. EGR does not have any secured creditors except in relation to the customer funds, bullion and contracts referenced below in my affidavit.

(e) Cash Flow Forecast

126. With the assistance of the proposed monitor, EGR has prepared a 13-week cash flow forecast (the "**Cash Flow Forecast**") for the week commencing October 5, 2020 to the week ending January 1, 2021. A summary of the cash flow appears below.

Receipts	
Sales	28,382,312
HST refunds	-
Interest income	6,000
Total Receipts	28,388,312
Disbursements	
Purchases	26,726,044
HST	770,356
Salaries and wages	151,212
Consulting and professional fees	150,000
General Administrative Expenses	96,402
Insurance	112,500
Rent	43,440
Advertising and promotion	54,676
Vehicle	5,799
Freight	20,000
Income Tax	30,000
Total Disbursements	28,160,429
Net Cash Flow Before Litigation and Restructuring Costs	227,883
Litigation Costs	450,000
Restructuring Costs	550,000
Total Litigation and Restructuring Costs	1,000,000
Net Cash Flow	(772,117)
Opening Cash	2,566,637
Ending Cash	1,794,520

127. EGR's opening cash balance on October 12, 2020 was approximately \$2.6 million. The full 13-week cash flow is attached hereto as **Exhibit "II"**.

128. The forecast cash flow surplus for the 12-week period ("**Cash Flow Period**") before litigation and restructuring costs is estimated to be \$227,883. Sales are estimated to be \$28.4 million over the Cash Flow Period with corresponding purchases of bullion and scrap metals of approximately \$26.7 million. GST/HST payments on goods and services are estimated to total \$770,356. Other significant cash outflows during the Cash Flow Period are as follows:

- a) Salaries and wages: \$151,212

- b) Consulting and professional fees: \$150,000
- c) Insurance: \$112,500
- d) General and administrative expenses: \$96,402

129. Because of the 2019 Reassessments and the 2020 Reassessments, EGR will incur litigation and restructuring costs to defend and resolve the matter, even before considering any amount that may be needed to effect an early resolution. Litigation and restructuring costs are estimated to be \$450,000 and \$550,000 respectively over the Cash Flow Period. The forecast cash flow deficit for the Cash Flow Period after litigation and restructuring costs is estimated to be \$772,117.

130. Based on the cash flow forecast presented, EGR does not have the financial resources to pay the amounts assessed by way of the 2019 Reassessments and the 2020 Reassessments. Furthermore, EGR's liquidity position will continue to erode and additional financing will need to be considered should the restructuring and the litigation relating to the 2019 Reassessments and the 2020 Reassessments extend well past the 12-week cash flow forecast period, which I anticipate.

(f) Cash Management

131. EGR operates a CAD and USD bank account at CIBC. EGR also holds physical cash on hand at its head office. The physical cash on hand and bank accounts at CIBC are used to facilitate day-to-day operational needs. The chart in paragraph 115 above provides details on the September 30, 2020 cash balance held at EGR and at CIBC in CAD and USD.

132. EGR currently has one credit card. The credit cards facilitate payment of various expenses related to office, advertising, telephone and general and administrative expenses.

(g) Related Party Arrangements

133. The following table outlines related party balances as at September 30, 2020:

Related Party	Receivable / (Payable) as at September 30, 2020
---------------	---

Farag Properties Inc.	2,243,350
1420781 Ontario Ltd.	920,843
Express Forex Inc.	311,273
Mary/Nabil	32,000
Atef	16,710
Watchdeals.ca	1,362
Prestige Precious Metals Ltd.	(1,416,897)
Shareholders	(80)
Fr. Pishoy Family Trust	(15)

134. Details relating to those parties and balances are as follows:

- a) Farag Properties Inc. – EGR leases its head office from Farag Properties Inc. at a monthly rent of \$14,480, including GST/HST. EGR manages Farag Properties Inc.’s property and receives an annual management fee of \$60,000 including GST/HST.
- b) 1420781 Ontario Ltd. – EGR's parent company.
- c) Express Forex Inc. – A related company facilitating foreign exchange transactions for EGR and other clients. It holds funds at Luminus Financial and remits certain amounts to EGR on a monthly basis. The receivables balance owing to EGR is typically around \$200,000.
- d) Atef / Nabil / Mary / Fr. Pishoy Family Trust – Shareholders of EGR. The balances represent shareholder advances. There has been a further advance to me of approximately \$300,000 to complete the purchase of residential real estate. I will provide full particulars of this to the monitor.
- e) Watchdeal.ca – A related company with a small receivable balance that is uncollectible and will be written off.
- f) Prestige Precious Metals Ltd. – EGR pays \$150,000 annually in management fees.

NORMALIZING OPERATIONS POSTFILING

(a) Net Tax Refunds

135. In order to stabilize its business, EGR requires that the CRA pay net tax refunds for the ITCs generated when EGR pays GST/HST to its customers and other business suppliers. As discussed above, the GST/HST payments in connection with EGR's business are several times greater than the revenue that EGR generated through that business. Accordingly, by way of this application, EGR is seeking a mechanism overseen by the Court whereby EGR will pay GST/HST to customers that have been approved the Court and other business suppliers, and the CRA will regularly pay the corresponding net tax refunds to EGR.

136. In order to address the concerns raised by CRA relating to certain customers and former customers, EGR will work closely with the prospective monitor to achieve any reasonable commercial transparency that the CRA may suggest.

137. . But for the 2019 Reassessments, the 2020 Reassessments and the CRA's ongoing refusal to pay ITC refunds to EGR, EGR would have no need for these proceedings and would be entirely capable of meeting its obligations as they come due. Accordingly, EGR is asking the Court's permission to carry on its business in the ordinary course without regard to the distinctions usually drawn between pre-filing and post-filing creditors. EGR is also asking that the net tax refunds owing by the CRA to EGR following this application not be offset against the pre-filing amounts owing to the CRA in connection with the 2019 Reassessments or the 2020 Reassessments (as they already have been by the CRA to date).

138. It is my understanding that the prospective monitor is supportive of this approach in these circumstances.

(b) Customer/Supplier Arrangements

139. EGR is also seeking the Court's permission to continue to honour and pay all pre-filing obligations owing to customers and suppliers who have dealt with EGR in good faith.

140. In particular, as discussed above, EGR holds cash, gold and forward contracts for customers in connection with its refining business (the "**Refining Customer Assets**"). The

Refining Customer Assets are typically only held for the duration of the relevant refining transaction (i.e., between the time that the unrefined gold is delivered to EGR and the time that EGR delivers refined gold or equivalent funds to the customer).

141. As discussed above, EGR also holds cash, gold bullion and forward contracts on a longer-term basis for customers with which EGR has a long-standing, trusting relationship (the “**Trading Customer Assets**”).

142. EGR and its customers have always understood that EGR holds the Refining Customer Assets and the Trading Customer Assets on behalf of each relevant customer in a manner akin to a legal trust.

143. I have been advised by counsel that these arrangements should be formally documented in a manner to create legal trusts and accordingly, I am now asking for the Court’s permission to do so in a manner which will instil confidence in my customers to continue to transact business with EGR and provide oversight and transparency to the Monitor over all aspects of these arrangements.

144. I believe that these measures will assist EGR to preserve the status quo while the dispute with the CRA is dealt with in the Tax Court of Canada.

145. The proposed measures would not relate to the Refining Customer Assets, since such assets are of a short-term nature and constitute ordinary course obligations. The proposed measures would only relate only to Trading Customer Assets. In particular, the proposal is as follows:

- a) EGR would establish a separate bank account that would hold only funds in trust for customers, such that the trust funds would be segregated from the funds held by EGR on its own account;
- b) EGR would delineate a separate storage area that would hold only gold bullion in trust for customers, such that the bullion would be segregated from the bullion held by EGR on its own account;

- c) EGR would establish a separate account with Asahi Refining or Saxo bank that would hold only funds and forward contracts in trust for customers, such that the relevant funds and forward contracts would be segregated from the funds and forward contracts held by EGR on its own account; and
- d) EGR would provide each of the customers in respect of which EGR holds Trading Customer Assets with a monthly Trust Account Statement specifying the assets held in trust by EGR as of that month, and expressly stating that “the assets set out herein are held in trust by EGR on behalf of the beneficiary listed above”.

EGR IS AT IMMEDIATE RISK

146. On Thursday morning, October 8, 2021 I received a call from a collection officer with CRA seeking to, among other things, inform me that collection proceedings would be commencing against EGR in 7 days if arrangements were not put in place to deal with the approximately \$180 million balance on account with CRA and that I was being put on warning of this eventuality. While I briefly discussed what this entailed for the business, it was made clear to me that EGR was being asked to post security in the form of tangible assets such as real property, letters of credit, cash and the like for the full balance outstanding with CRA of approximately \$180 million. As I was unsure of how to respond to this call which came to me without warning, I instructed my collection advisor Michael Collinge of Deloitte LLP to contact the officer to determine what this meant.

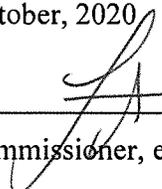
147. I understand from Michael Collinge’s discussion with the collections officer that no collection actions would be taken before the 15th. Attached is a letter as **Exhibit “JJ”** from Michael Collinge to the CRA confirming such an understanding with CRA.

148. EGR does not have the capacity to provide the requested security as demanded by CRA. If unstayed, such collection activities would immediately drive EGR out of business.

149. As such, EGR is seeking the protection of these proceedings while is pursues its appeal to the Tax Court and further seeks to normalize interactions with CRA to ensure a stable cash flow

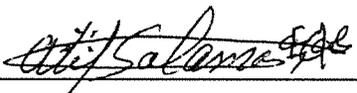
to the business and preserve the status quo in accordance with the principles of restructuring as I understand them under the CCAA.

Sworn before me via)
videoconferencing this 14th day)
of October, 2020)



A Commissioner, etc.

JANINE ABULUYAN
LSO No. 80807R



ATEF SALAMA

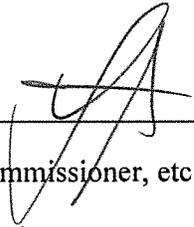
SCHEDULE 1

Status of ITC Refunds – June 1, 2016 to August 31, 2020

Reporting Period	Net HST Claimed	Refunds Received by EGR	ITCs Denied By 2019 Reassessments	ITCs Denied By 2020 Reassessments	Total Denied ITCs	Total Accepted ITCs	Balance Owed to EGR/ (From EGR)
30/06/2016	2,221,450.67	36,238.54	1,990,205.67	2,026,444.21	195,006.46	2,221,450.67	
31/07/2016	2,375,524.81	-	2,067,401.02	2,067,401.02	308,123.79	2,375,524.81	
31/08/2016	2,481,091.49	25,310.87	2,065,681.17	2,090,992.04	390,099.45	2,481,091.49	
30/09/2016	2,430,081.17	97,947.85	1,659,086.46	1,757,034.31	673,046.86	2,430,081.17	
31/10/2016	2,447,802.60	120,810.69	1,655,893.10	1,776,703.79	671,098.81	2,447,802.60	
30/11/2016	2,987,176.15	27,340.93	2,321,434.45	2,348,775.38	638,400.77	2,987,176.15	
31/12/2016	2,611,730.24	112,277.23	2,136,320.52	2,248,597.75	363,132.49	2,611,730.24	
31/01/2017	4,045,539.02	278,975.49	3,196,920.97	3,475,896.46	569,642.56	4,045,539.02	
28/02/2017	3,645,321.28	75,494.25	3,038,312.96	3,113,807.21	531,514.07	3,645,321.28	
31/03/2017	4,260,129.59	100,060.76	3,507,382.12	3,607,442.88	652,686.71	4,260,129.59	
30/04/2017	4,337,545.21	27,901.25	4,025,781.37	4,053,682.62	283,862.59	4,337,545.21	
31/05/2017	5,284,415.66	62,840.18	4,915,438.41	4,978,278.59	306,137.07	5,284,415.66	
30/06/2017	4,596,200.10	45,956.43	4,307,535.06	4,353,491.49	242,708.61	4,596,200.10	
31/07/2017	3,458,823.17	97,522.62	3,065,534.04	3,163,056.66	295,766.51	3,458,823.17	
31/08/2017	5,337,096.30	185,628.47	4,948,418.34	5,134,046.81	203,049.49	5,337,096.30	
30/09/2017	5,880,429.23	323,805.46	5,307,169.71	5,630,975.17	249,454.06	5,880,429.23	
31/10/2017	6,866,554.82	318,275.34	6,255,352.47	6,573,627.81	292,927.01	6,866,554.82	
30/11/2017	6,247,416.70	610,706.80	5,399,164.62	6,009,871.42	237,545.28	6,247,416.70	
31/12/2017	3,572,947.39	423,564.15	2,981,760.44	3,405,324.59	167,622.80	3,572,947.39	
31/01/2018	6,369,341.10	893,991.12	5,185,133.32	6,079,124.44	290,216.66	6,369,341.10	
28/02/2018	7,666,962.47	1,212,799.32	6,192,957.26	7,405,756.58	261,205.89	7,666,962.47	
31/03/2018	8,631,688.25	749,170.63	7,741,165.77	8,490,336.40	141,351.85	8,631,688.25	
30/04/2018	7,019,049.53	723,280.61	5,907,256.16	6,630,536.77	388,512.76	7,019,049.53	
31/05/2018	9,034,754.80	1,267,537.44	7,506,656.43	8,774,193.87	260,560.93	9,034,754.80	
30/06/2018	8,290,188.17	1,412,816.73	6,612,145.41	8,024,962.14	265,226.03	8,290,188.17	
31/07/2018	6,923,029.15	798,076.11	5,884,757.19	6,682,833.30	240,195.85	6,923,029.15	
31/08/2018	9,128,196.67		8,782,974.59	8,782,974.59	345,222.08		9,128,196.67
30/09/2018	8,595,018.21		8,052,022.81	8,052,022.81	542,995.40		8,595,018.21
31/10/2018	7,161,366.90		6,741,288.06	6,741,288.06	420,078.84		7,161,366.90
30/11/2018	1,953,385.55						1,953,385.55
31/12/2018	3,445,018.58						3,445,018.58
31/01/2019	1,859,239.75						1,859,239.75
28/02/2019	645,063.05						645,063.05
31/03/2019	327,637.82						327,637.82

Reporting Period	Net HST Claimed	Refunds Received by EGR	ITCs Denied By 2019 Reassessments	ITCs Denied By 2020 Reassessments	Total Denied ITCs	Total Accepted ITCs	Balance Owed to EGR/ (From EGR)
30/04/2019	392,521.51						392,521.51
31/05/2019	295,519.01						295,519.01
30/06/2019	337,458.61						337,458.61
31/07/2019	285,804.61						285,804.61
31/08/2019	535,029.07						535,029.07
30/09/2019	437,535.05						437,535.05
31/10/2019	307,115.23						307,115.23
30/11/2019	307,720.98						307,720.98
31/12/2019	417,923.99						417,923.99
31/01/2020	195,155.48						195,155.48
28/02/2020	207,825.70						207,825.70
31/03/2020	136,881.51						136,881.51
30/04/2020	73,408.00						73,408.00
31/05/2020	47,418.00						47,418.00
30/06/2020	11,986.56						11,986.56
31/07/2020	34,849.77						34,849.77
31/08/2020	79,122.75						79,122.75
	166,240,491.43	10,028,329.27	133,451,149.90	143,479,479.17	10,427,391.68	129,022,289.07	37,218,202.36
		Total Denied	143,479,479.17				
	Less Balance August, Sept, Oct 2018		-24,884,581.78				
		Balance alleged owing	118,594,897.39		118,594,897.39		
	Sept 24 2020	Interest and Penalty	60,409,088.19				
		Owing on CRA website	179,003,985.58				

This is **Exhibit "A"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN

LSO No. 80807R

MRQ ASSISTANCE REQUIRED ON GOLD AUDITS

-prepared by Cathie Ewert, May 18, 2006

-prepared for anti-avoidance, Surrendar H Parmar, Senior Analyst, Identification, Detection, & Legislative Coordination Section

In general:

-In connection with audits of Aumor Refining Limited (#841963341), Poscor Mills Limited (#884010224), Guardian Gold Corp (#874803208), Express Gold Refining (#138557095), .999 Gold Depot (#887455749), all "collector" refiners in the Toronto area, and Silva Oro Inc (#864736301), a supplier to a supplier (Markor) to Express Gold Refining, we have found the source of supply to be consistently the Montreal/Laval area in Quebec; we need timely audits conducted on these sources of supply in order to substantiate (or not) the ITC's being claimed in the chains of supply; for the audits of Express Gold Refining (EGR) and .999 Gold Depot (GD), these audits by MRQ have been ongoing for over a year/two years, without the two direct links to GD being audited (137838 Canada Inc and 4072308 Canada Inc), possible due to the fact that there is a cradle-to-grave audit strategy. Our auditees are understandably applying pressure to obtain the requested refunds and are in a position to apply for writs of mandamus. Toronto area auditors & HRAT have communicated information on newly found Quebec sources of supply, and \$ amounts of purchases from Quebec suppliers, to MRQ for audit purposes. Some of these referrals do not seem to have been acted upon, despite the fact they are direct sources of supply to our auditees. Sometimes we do not know whether the information supplied has been used or has been passed along to auditors. MRQ, however, has had few audit resources available for all the audit demands in this ever-expanding gold project. The most pressing requirements for information are in bold face.

Our auditees & known sources of supply (ie, ITC's being claimed for purchases from) in Quebec to each one are as follows:

Aumor Refining (GST#841963341):

-9149-8139 Quebec Inc o/a Bijouterie VVS, GST#854865433, owner per mainframe is Vatche Hititian (who is linked to: 9106-4816 Quebec Inc o/a Molto Bella, GST#144140209, assessed \$2.8 million, bankruptcy; also linked to 9140-1133 Quebec Inc, o/a Bijouterie Kristor, GST#145547058, no returns filed, currently under audit by MRQ), registered 05/11/07, no returns filed, monthly filer, yet Aumor has claimed ITC's totalling \$1154,215 for Nov/05 to Mar/06; a person named Avedis Karadjian makes all the scrap gold deliveries for this company to Johnson Matthey (JM) on behalf of Aumor using EGR's account with JM.

Poscor Mills (GST#884010224):

-9141-7220 Quebec Inc o/a Bijouterie JK, GST#864479944, owner Krikor Jebekian (who is linked to: Bijouterie Massis (1998) Inc, GST#868505538,

This is **Exhibit "B"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE', written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R



Canada Customs
and Revenue Agency

Agence des douanes
et du revenu du Canada

November 8, 2006

EXPRESS GOLD REFINING LTD
21 DUNDAS SQUARE, STE. 401
TORONTO, ON
M5B 1B7

Your file / Votre référence

13855 7095RT0001

Our file / Notre référence

Attention: Mr. Atef Salama

Dear Mr. Salama:

Re: GST Audit for February 2005

As a result of our recent audit of the GST/HST Return mentioned above, we are now proposing the following adjustments to net tax:

Increase in GST/HST payable in the amount of \$1,554,209.28.

The explanation for this adjustment is as follows:

A precious metal is a financial instrument under paragraph (e) of the definition of "financial instrument" found in section 123(1) of the *Excise Tax Act* ("ETA"). Furthermore, certain purity and four specific form requirements are set out in the legislation regarding precious metals.

"Precious metal" as defined in subsection 123(1) (in part) "means a bar, ingot, coin or wafer that is composed of gold, silver or platinum and that is refined to a purity level of at least (a) 99.5% in the case of gold and platinum". The sale of a precious metal, meeting purity and form requirements will be exempt of GST pursuant to paragraph (d) of the definition of "financial service" found in subsection 123(1) and section 1 of Part VII of Schedule V, unless zero-rated.

Only the sale of a "precious metal" by a refiner (or by the person on whose behalf the precious metals were refined) is a zero-rated supply pursuant to section 3 of Part IX of Schedule VI. This section provides that the first supply of a refined "precious metal" meeting the purity and form requirements as set out in subsection 123(1) is a financial service and is zero-rated. However, where the refined metals do not become "precious metals" for GST purposes, the sale of such metals will generally be subject to GST at 7%, pursuant to subsection 165(1).

Canada

- 2 -

A refiner or its clients may use grain gold to manufacture various luxury items such as jewellery, high tech products, etc. Consequently, grain (in its own right) will not meet the form requirements found in the definition of "precious metal" found in subsection 123(1), as it relates to gold.

We also refer to "Said Joailler Ltee c. La Reine" (2006ETC2812) where the court agreed that the sale of gold in forms other than those outlined in the definition was subject to GST at 7%.

Therefore, it is Audit's position that the sale of grain gold is taxable. Accordingly, we are proposing to increase your Division II tax amount by \$1,554,209.28 for February 2005. Please refer to the attached Appendix A for details.

In addition, for the fiscal year ending May 31, 2005, partial information supplied to us indicates that a total of 8,532 sealed kilo bags of grain gold were sold during the year. Based on an estimated average price of \$17,000 per kilo of gold, we have calculated grain gold sales for the year to be approximately \$145 million ($\$17,000 \times 8,532$). The estimated GST liability pertaining to the above transactions is approximately \$10.15 million. (Please note this amount includes the proposed adjustment for February 2005).

In each case of omission on a return, we have to consider whether to apply the provisions of section 285 of the *Excise Tax Act*. This section provides for penalties of \$250 or 25% of the net tax resulting from an omission on a return, whichever is more, when it is established that the omission was made knowingly or arose from circumstances amounting to gross negligence.

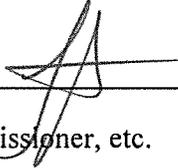
Subsection 280(1) of the *Excise Tax Act* is also relevant. It provides for penalties of 6% per year, and interest at the prescribed rate, computed for the period beginning on the first day following the day on or before which the amount was required to be remitted or paid and ending on the day the amount is remitted or paid.

We have decided not to apply section 285 to the adjustments proposed above. Please note that future occurrences of the same kind could be subject to section 285 penalties.

We ask that you review our analysis and, within 30 days of the date of this proposed adjustment, either confirm that you agree with this proposed adjustment or provide a written explanation of the area(s) you do not agree with and your reasons.

Thank you for your assistance in this matter.

This is **Exhibit "C"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

B E N N E T T J O N E S | LLP

3400 1 First Canadian Place
PO Box 130
Toronto Ontario
Canada M5X 1A4
Tel 416.863.1200
Fax 416.863.1716
www.bennettjones.ca

Steven K. D'Arcy
Direct Line: 416.777.4825
e-mail: darcs@bennettjones.ca
File No.: 59218-1

January 3, 2007

Canada Revenue Agency
1 Front Street West
Toronto, Ontario
M5J 2X6

Attention: Mr. Raj Bhatla

Re: Express Gold Refining Ltd., GST Registration Number 138557095RT0001

We are writing in response to Mr. Bhatla's letter of November 8, 2006. An extension until January 5, 2007 to respond to your letter was granted by Ms. Roach of your office.

I. FACTS

1. Express Gold Refining Ltd. ("Express Gold") is a precious metal dealer and refiner. It provides gold refining services and also purchases gold for sale to third parties.

A. November 8, 2006 CRA Letter

2. In a letter dated November 8, 2006, Mr. Raj Bhatla of the audit division of the CRA's Toronto, Front Street office informed Express Gold that it was proposing to increase its Division II tax collectable for February 2005 by \$1,554,209 and its net tax collectable for the fiscal year ending May 31, 2005 by approximately \$10.15 million.

3. The proposed adjustment relates to sales of what is referred to by the CRA as "grain gold", by Express Gold to certain third parties. The CRA is taking the position that sealed bags of "grain gold" are not a precious metal, as that term is defined in subsection 123 of Part IX of the Excise Tax Act (the "GST legislation").

4. The CRA provided, as an appendix to its letter, a list of sales made by Express Gold in February 2005. The list notes the sales price, the customer name and the type of product. The type of product is identified by the CRA as either a kilo gold bar or a "kilo bag of grain gold".

5. Of the \$1,554,209 proposed assessment for February 2005, approximately 88% relates to sales of gold by Express Gold to 9141-7220 Quebec Inc. ("Krikor").

January 3, 2007
Page

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6. Krikor is located in Montreal, Quebec and is a manufacturer of jewelry.

B. Business carried on by Express Gold

(a) Overview of business carried on by Express Gold

7. Express Gold provides gold refining services to several commercial vendors, normally jewelers and scrap metal dealers. The gold has been recovered by the commercial vendors from scrap or jewelry and is not refined to an investment quality purity (the "Unrefined Gold").

8. Express Gold retains Johnson Matthey Limited ("Johnson Matthey") to perform the actual refining. Johnson Matthey invoices Express Gold for its refining services.

9. Once the Unrefined Gold is refined by Johnson Matthey it has an investment quality gold content of 99.99% (the "Refined Gold"). The Refined Gold provided by Johnson Matthey is in one of two forms: gold bars (the "Gold Bars") or sealed bags of gold "casting grain" (the "Sealed Gold Bags"). Appendix A contains a picture of a Gold Bar and a Sealed Gold Bag produced by Johnson Matthey. Note that the gold content, the weight and the name of the refiner (Johnson Matthey) are shown on both the Gold Bar and the Sealed Gold Bag.

10. As explained below, once the Refined Gold is received it is either retained by the commercial vendor or sold by the commercial vendor to Express Gold. ?

11. Regardless, Express Gold charges a fee to the commercial vendor for the refining services.

12. If Express Gold purchases the Refined Gold from the commercial vendor, then it normally immediately resells the Refined Gold to a third party.

(b) Example of specific Transactions

(i) Transactions with Poscor

of interest ?

13. During 2005 one of Express Gold's major suppliers/customers was Poscor Mill Services Corp. ("Poscor"). Poscor¹ is one of the largest value added processors of ferrous metal in Canada.

14. During 2005, including February 2005, Express Gold entered into contracts with Poscor pursuant to which the following transactions occurred:

(a) Express Gold agreed to provide refining services to Poscor with respect to Unrefined Gold. Poscor recovered the Unrefined Gold from scrap.

(b) Express Gold retained Johnson Matthey Limited ("Johnson Matthey") to perform the refining. Johnson Matthey invoiced Express Gold for its refining services.

¹ Poscor has provided Express Gold with its GST registration number (884010224).

January 3, 2007

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- (c) Poscor shipped the Unrefined Gold directly to the premises of Johnson Matthey and provided an estimate to Express Gold of the gold content of the Unrefined Gold. Express Gold would then provide the estimate to Johnson Matthey. ?
- (d) After receiving the Unrefined Gold, Johnson Matthey would run a "trial analysis" to confirm the estimate provided by Poscor. It would then provide an advance (the "Advance") to Express Gold equal to 95% of the estimated gold content. The Advance was provided in Refined Gold.
- (e) Once Express Gold received the Refined Gold it would provide a cash deposit to Poscor equal to 90% of the value of the estimated gold content in the Unrefined Gold (the "Deposit").
- (f) At the time the Unrefined Gold was refined by Johnson Matthey it was owned by Poscor. Express Gold never acquired the Unrefined Gold. ✓
- (g) Once the refining was completed by Johnson Matthey and the actual weight of the Refined Gold was determined, Johnson Matthey would physically provide Refined Gold to Express Gold in an amount equal to the difference between the actual weight of the Refined Gold and the weight of the Refined Gold previously provided as the Advance.
- (h) Johnson Matthey would invoice Express Gold for its refining charges plus applicable GST.
- (i) Once the above occurred, one of the following transactions was completed between Poscor and Express Gold:
- (i) Poscor elected to retain the Refined Gold. If this occurred then the Deposit was returned to Express Gold and Express Gold physically provided Poscor with the amount of Refined Gold produced by Johnson Matthey from the Unrefined Gold provided by Poscor. Express Gold charged Poscor an amount (plus GST) for the refining services
- (ii) Poscor elected, pursuant to its contractual agreement with Express Gold, to sell the Refined Gold to Express Gold. If the sale occurred then the Deposit was applied to the sale price for the Refined Gold. No GST was charged by Poscor with respect to the sale of the Refined Gold by it to Express Gold. Express Gold charged Poscor an amount (plus GST) for the refining services. → *only?*
- (j) If Express Gold purchased the Refined Gold from Poscor then it immediately resold the Refined Gold to one of its customers. In most instances Express Gold had arranged for a person to buy the Refined Gold, prior to the time it purchased the gold from Poscor.

Sale at 90% + 10%

- (k) During the month of February 2005, 95% of the Refined Gold sold by Express Gold was purchased from Poscor.

(ii) **Transactions with other commercial suppliers**

15. During 2005 Express Gold also purchased Unrefined Gold from a number of commercial suppliers, normally jewelers. Transactions with the other commercial customers occur as follows:

- (a) The commercial customer presented the Unrefined Gold at Express Gold's premises.
- (b) The Unrefined Gold was placed in an x-ray analysis machine that verified the gold content in the Unrefined Gold.
- (c) The commercial customer was paid a deposit by Express Gold equal to the gold content determined by the x-ray analysis machine times the market price for gold.²
- (d) Express Gold then sent the Unrefined Gold to Johnson Matthey for refining. Once the amount of Unrefined Gold sent by Express Gold on behalf of the commercial customers equaled a certain amount (fifteen to forty kilograms), Johnson Matthey would provide an Advance to Express Gold. Similar to the transactions involving Poscor, the Advance was provided in Refined Gold.
- (e) Once the refining was completed by Johnson Matthey and the actual weight of the Refined Gold was determined, Johnson Matthey would physically provide Refined Gold to Express Gold in an amount equal to the difference between the actual weight of the Refined Gold and the weight of the Refined Gold previously provided as the Advance.
- (f) Once the above occurred, one of two transactions was completed between Express Gold and the commercial customer:
- (i) The commercial customer retained the Refined Gold.
- (ii) The commercial customer elected to sell the Refined Gold to Express Gold. If this occurred, the Deposit was applied to the purchase price. No GST was charged by the commercial customer when the Refined Gold was sold to Express Gold.

(iii) **Other gold transactions**

16. In certain instances Express Gold purchased Unrefined Gold from commercial customers. The commercial customers charged Express Gold GST when they sold the Unrefined Gold to Express Gold.

² In a few instances, where the quantity was small (2 or 3 kilos), Express Gold provided an advance in Refined Gold.

January 3, 2007

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17. Express Gold has also, in the past, purchased Refined Gold directly from financial institutions, such as the Bank of Nova Scotia. The Refined Gold has been provided in the form of either Gold Bars or Sealed Gold Bags. The Sealed Gold Bags have been provided in various weights (such as 100 oz bags, 200 oz bags). For example, Express Gold has, in the past, purchased Refined Gold in the form of Gold Bars and Sealed Gold Bags from the Bank of Nova Scotia. The bank did not charge GST on the sale of the Refined Gold. With respect to the Sealed Gold Bags, the Bank of Nova Scotia treats the sale as the sale of gold *ingots* that have been refined to the 99.99% purity level, i.e. the sale of a precious metal.

II. POSITION OF EXPRESS GOLD

It is the position of Express Gold that:

- (a) The sale of the Sealed Gold Bags represents the sale of a financial instrument under the GST legislation.
- (b) When assessing Express Gold, the CRA is required to take any allowable input tax credits into account when determining the net tax of Express Gold for a particular reporting period.

III. RELEVANT GST PROVISIONS

A. Supply of Precious Metal

The GST legislation contains special rules that apply to the sale of precious metals. The term precious metal is defined in subsection 123(1) to mean, in part, a bar, ingot, coin or wafer that is composed of gold and that is refined to a purity level of at least 99.5%.

While the words "bar, ingot, coin or wafer" are not further defined in the Act, their meaning was discussed in depth in *Bombay Jewellers Ltd. v. Canada*³. In this case, the appellant was a jeweler who sold gold to its customers by cutting pieces, usually in the shape of a bar, from a larger gold bar. The CRA assessed the appellant on the basis that the pieces did not fall within the definition of a "precious metal". The main issue on appeal was whether the Court should apply the ordinary meaning of the words "bar, ingot" and "wafer" or the technical meaning. The appellant argued that the ordinary meaning of a "bar" as a metal in rectangular shape should apply. The respondent argued that the technical meaning should apply, pursuant to which a bar generally referred to a financially tradable product with the weight, purity and manufacturer marked upon it.

The Court agreed with the respondent and adopted the technical meaning. The words were used in the context of a section dealing with financial instruments, all of which are "readily transferable, have a readily ascertainable value, are readily identifiable and are more or less saleable." The Court concluded that Parliament must have intended to include only investment quality gold in the definition of financial services, and that "to accept the dictionary, common or general definition of the terms would lead to an absurd result." The pieces sold by the appellant did not possess the

³ [1998] G.S.T.C. 94 (TCC Gen). Referred to as the *Bombay Jewellers Case*.

characteristics of a financial instrument. Once cut, they could not be sold to banks or otherwise disposed of readily. The pieces also were not marked as to purity, or to the manufacturer.

The supply of a precious metal is either zero-rated or exempt. The supply is zero-rated under section 3 of Part IX of Schedule VI if the supply is made by the refiner thereof or by the person on whose behalf the precious metal was refined. In all other instances the supply of a precious metal constitutes the exempt supply of a financial service. Specifically, the sale of the precious metal would constitute the financial service of transferring ownership of a financial instrument.

B. CRA obligation to allow unclaimed input tax credits when assessing a taxpayer

Pursuant to subsection 296(2) of the GST legislation, when assessing a GST registrant for a particular reporting period, the CRA is required to take any allowable input tax credits into accounting when assessing the net tax for the reporting period. The Minister is required to take the input tax credit into account provided the input tax credit was not claimed by the registrant in a return filed before the day the notice of assessment is sent to the registrant.

IV. APPLICATION OF GST TO THE REFINED GOLD PURCHASED AND SOLD BY EXPRESS GOLD

It is respectfully submitted that the purchase and sale of both the Gold Bars and the Bags of Gold by Express Gold represents the purchase and sale of a financial instrument, a precious metal.

When determining the taxation of the gold sold in the *Bombay Jewellers Case*, the Court focused on whether the cut gold bar was a tradable financial instrument.

The Court noted the testimony of an expert witness from the Bank of Nova Scotia who stated that the product would only be tradable if it was produced or cast at approved mints or smelters and stamped by an assayer. The expert noted that the product produced by the mint or smelter had the weight, purity and manufacturer marked on it.⁴

The Court found⁵ that the following key characteristics should be considered when determining if the product being considered is a financial instrument:

- (a) Is the product readily transferable?
- (b) Does the product have a readily ascertainable value?
- (c) Is the product readily identifiable?
- (d) Is the product more or less saleable?

⁴ Ibid, at para. 24.

⁵ Ibid, at para. 71

Each of the two products purchased and sold by Express Gold, the Gold Bars and the Sealed Gold Bags are tradable commodities. They are both produced by a world-accepted refiner and assayer, Johnson Matthey, who marks the weight, purity and manufacturer on the Refined Gold product (see Appendix A).

We understand that the CRA accepts that the Gold Bars are a financial instrument. The Sealed Gold Bags are also financial instruments. In the first instance, the Sealed Gold Bags are readily transferable. Each of the Sealed Gold Bags is identified as being produced by Johnson Matthey, with the purity (99.99%) and weight noted on the bag. For example, provided the seal in the bag shown in Appendix A has not been broken, the Sealed Gold Bag is tradable as 1 kilogram of gold with a purity level of 99.99%.

Secondly, the Sealed Gold Bag has a readily identifiable value. It is the current market price for gold times the weight noted on the sealed bag.

Thirdly, the Sealed Gold Bag is readily identifiable. It is a one-kilogram sealed bag of Refined Gold produced by Johnson Matthey.

Fourthly, the Sealed Gold Bag is saleable. As noted in the above facts, Express Gold on numerous occasions sold the Sealed Gold Bags in 2005 based purely on the weight noted on the bag and the then market price. Further, the Bank of Nova Scotia, one of Canadian's leading financial institutions, regularly sells sealed bags of gold as financial instruments (gold ingots). The Bank's sale price is based on the weight noted on the bag and the current market price for gold. It is important to remember that it was the testimony of an expert from the Bank of Nova Scotia that was relied upon by the Tax Court in the *Bombay Jewellers Case*.

In short, the Sealed Gold Bags are treated by the gold community as a financial instrument.

V. CRA REQUIRED TO AUDIT TO NET TAX

In his letter of November 8, 2006, Mr. Bhatla refers to a proposed assessment of \$1,554,209 for February 2005 and approximately \$10.15 million for the fiscal year ending May 31, 2005. In arriving at these numbers the CRA audit division has only considered the tax that its considers Express Gold should have collected in respect of the sale of the Sealed Gold Bags. It has not taken into consideration any input tax credits that would arise if the supply of the Sealed Gold Bags were taxable.

If the supply of the Sealed Gold Bags was taxable (which is expressly denied by Express Gold) then GST would not only have been collectable by Express Gold when the Refined Gold was sold to Express Gold's customers⁶, it would have also been payable by Express Gold when it purchased the Refined Gold from its suppliers.⁷

⁶ Such as Krikor

⁷ Such as Poscor

January 3, 2007
Page

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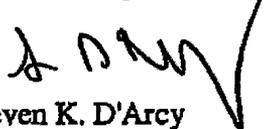
Express Gold is not a manufacturer of Refined Gold; any Refined Gold it sold was purchased from a third party. As noted in the above facts, the Refined Gold was, in most instances, purchased immediately before it was sold by Express Gold to a third party.

As discussed previously, subsection 296(2) of the GST legislation requires the CRA to take any allowable input tax credits into account when assessing the net tax for a reporting period of Express Gold. Therefore, if the CRA were to pursue its position that the sale of the Sealed Gold Bags was taxable, then it is required to take into account the input tax credits for the tax that would have been payable when the Sealed Gold Bags were purchased by Express Gold. Since the Sealed Gold Bags were, in most instances, purchased immediately before they were sold, the input tax credit would arise in the same reporting period as the tax payable in respect of the subsequent sale of the Sealed Gold Bags.

For the month of February 2005, Express Gold has calculated the input tax credits to be approximately \$1,551,013. If one assumes that the sale of the Sealed Gold Bags was taxable (which is denied by Express Gold), Express Gold's net tax for February 2005 would increase by approximately \$3,000; not the \$1.554 million noted in Mr. Bhatla's letter.

Yours truly,

BENNETT JONES LLP


Steven K. D'Arcy

cc: Ms. Susan Roach, Canada Revenue Agency
Mr. Atef Salama, Express Gold Refining Ltd.

This is **Exhibit "D"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R

JUN. 29. 2007 5:05PM CCRA-TCTSO-PREPAY

NO. 873 2



Toronto Centre Tax Services Office
1 Front Street West
Toronto, ON M5J 2X6

JUN 29 2007

Your file / Votre référence

Our file / Notre référence

Express Gold Refining Ltd.
21 Dundas Square, Suite 401
Toronto, ON M5B 1B7

Attention: A. Salama

Dear Mr. Salama:

Re: Your Representative's Correspondence of January 3, 2007
BN 138557095RT0001

The following is in response to your representative's letter of January 3, 2007. We apologise for delay in reply.

This will document my conversation with Steven D'Arcy of June 14, 2007 in which I confirmed our opinion that the sale of refined gold in forms other than that defined in section 123(1) of the Excise Tax Act is taxable at 7% (for the periods in question - periods subsequent to July 1, 2006 are taxable at 6%).

I also confirmed that the Agency policy that we audit to "Net Tax" - in other words, any applicable input tax credits (ITC) would be allowed when assessing GST. Specifically, as the sale of the refined gold in grain format would be taxable when sold by a vendor, that vendor would be responsible for collecting the GST on these sales. For Express Gold's specific situation, Foscor Mills would have to collect the GST on the grain sales made to Express Gold - Express Gold would then be entitled to the ITC.

As discussed with Mr. D'Arcy, we are also available to meet with you for any additional information you may want to supply. Please be advised that I will be away from the office until Monday, July 9, 2007.

We trust this is satisfactory.

Yours truly,

Suzanne Roche
Team Leader, Audit
416-952-1754

This is **Exhibit "E"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R



3400 One First Canadian Place, PO Box 130
Toronto, Ontario, Canada M5X 1A4
Tel: 416.863.1200 Fax: 416.863.1716
www.bennettjones.ca

Steven K. D'Arcy
Direct Line: 416.777.4825
e-mail: darcys@bennettjones.ca
File No: 59118-1

January 11, 2008

Ms. Suzanne Roche
Team Leader, Audit
Toronto Centre Tax Services Office
1 Front Street West
Toronto, Ontario M5J 2X6

Dear Ms. Roche:

**Re: Express Gold Refining Ltd.
BN 138557095RT0001**

We do not feel that this matter has been dealt with by your office on a timely basis. In particular, it does not appear to us that any steps have been taken to refund the approximately \$1 million of GST refunds claimed by Express Gold in its GST tax returns filed for certain GST reporting periods ending between July 31, 2005 and August 31, 2007.

You confirmed in your June 29, 2007 letter that the CRA, as mandated by subsection 296(2) of Part IX of the *Excise Tax Act*, audits to net tax. As noted in our letter of January 3, 2007, even if one were to accept the CRA's position that the supplies in question constitute taxable supplies, once the CRA audits to net tax, the amount of any assessment the CRA is entitled to raise against Express Gold would not be significant when compared to the \$1 million of GST refunds owed to Express Gold.

We would ask that the CRA immediately refund the amounts owing to Express Gold. As we have noted in the past, Express Gold officials are available to provide any information required by the CRA to substantiate the input tax credits described in our January 3, 2007 letter.

Should this matter not be resolved within ten (10) days, we request a meeting with you and your supervisor.

Please contact the undersigned if you require any additional information.

Yours truly,

BENNETT JONES LLP

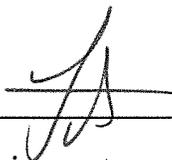
A handwritten signature in cursive script, appearing to read 'S. D'Arcy', written over the printed name.

Steven K. D'Arcy

cc: Atef Salama

SKD/cm
Attachments

This is **Exhibit "F"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JA', is written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R



Sudbury ON P3A 5C1

EXPRESS GOLD REFINING LTD
 21 DUNDAS SQUARE, STE. 401
 TORONTO ON M5B 1B7

Date of Mailing March 28, 2008
Business Number 13855 7095 RT0001
Period Covered 2006-03-01 to 2006-03-31

0003971

**NOTICE OF (RE)ASSESSMENT
 GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

RESULTS

This notice explains the results of our (re)assessment of the GST/HST return(s) received on April 18, 2006, for the period indicated above.

Result of this (Re)Assessment	\$	16,118.93 Cr
Prior Balance	\$	751,223.79 Cr
		=====
Total Balance	\$	767,342.72 Cr

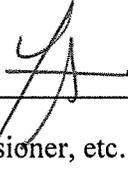
We are holding your credit while we review your account. We will advise you of the results of this review on your Statement of Arrears.

Please keep this Notice of (Re)Assessment for your records.

William V. Baker
 Commissioner of Revenue



This is Exhibit "G" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JA', is written over a horizontal line.

A Commissioner, etc.

JANINE ABULVYAN - 80807R

Jacques Bernier
Partner
Direct Line: 416.777.4897
e-mail: bernierj@bennettjones.com

August 6, 2010

BY FAX & BY MAIL

Joe Tucci
Team Leader
Toronto Centre Tax Services Office
Canada Revenue Agency
1 Front Street West
Toronto ON M5J 2X6

Dear Mr. Tucci:

**Re: Express Gold Refining Ltd.
BN 138557 095 RT0001**

We refer to our July 27 meeting, also attended by Mr. Atef Salama of Express Gold and Robert Balinda of your Agency.

As discussed during the meeting, there are a number of points we would like the Canada Revenue Agency ("CRA") to clarify before the proposed audit actually begins. This request for clarifications is made given the history of this matter, and we are writing to you, at your suggestion, to request those clarifications. To put this request in context, a brief review of the history of this matter is appropriate.

HISTORY

1. From mid-2006, Express Gold has been subjected to a number of enforcement activities on the part of the CRA (including its Special Investigations Division) and the Ministère du Revenu du Québec ("MRQ"). These activities included a full scale audit, enquiries and requests for documents relating to other taxpayers, a very substantial audit proposal and even a search and seizure.
2. At all times, Express Gold and Mr. Salama, in particular, have always complied with the applicable legislation and CRA policy and, in fact, have fully cooperated with all tax authorities, often helping out various officers explaining in great detail how the gold business operates.

3. Of significance is the CRA's reassessment proposal made in 2006 for amounts in excess of \$12 million for the fiscal year ending on May 31, 2005; the principal subject matter of the proposal being "grain gold". Suffice it to say, if the proposal had been carried out, it would have literally confiscated Express Gold's family-operated business and put it into bankruptcy.
4. Further to our representations dated January 3, 2007 (copy enclosed), the reassessment proposal was abandoned by the CRA. In particular, the CRA agreed to audit the net tax while taking the view that "grain gold" is taxable (see CRA's letter dated June 29, 2007, also attached). In the case of a specific supplier, namely Poscor Mills, the CRA intimated that GST could not be claimed unless GST had been collected by Poscor.
5. It took more than a year after the CRA completed its audit and numerous discussions (both written and oral) between Bennett Jones and the CRA and between Express Gold and the CRA, for the CRA to finally issue assessments in March 2008 and process Express Gold's GST refunds. The assessments issued by CRA covered the period up to December 2007 and confirmed the GST collectable, the input tax credits and the net tax reported by Express Gold on each of its filed GST returns. Subsequent to issuing the assessments, the CRA refunded \$767,342.72 to Express Gold.
6. Discussions continued between Bennett Jones and the CRA (*i.e.*, your predecessor, Ms. Suzanne Roche and her manager Mr. Jim McNamara) in 2008 and 2009 and other refunds were finally processed for periods up to and including September 2008.
7. Currently, the following refund claims remain outstanding:

<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Amount</u>
08/10/2009	I-36065	GST - From 01/07/2009 To 31/07/2009	32,397.84
09/09/2009	I-36066	GST - From 01/08/2009 To 31/08/2009	25,973.72
10/16/2009	I-36091	GST - From 01/09/2009 To 30/09/2009	31,356.38
10/31/2009	GST/HSTCA0001	File Sales Tax	33,007.01
11/30/2009	GST/HSTCA0002	File Sales Tax	28,284.43
12/31/2009	GST/HSTCA0003	File Sales Tax	27,920.64
01/31/2010	GST/HSTCA0004	File Sales Tax	27,477.50
02/28/2010	GST/HSTCA0005	File Sales Tax	37,206.60
03/31/2010	GST/HSTCA0006	File Sales Tax	43,099.55
04/30/2010	GST/HSTCA0007	File Sales Tax	29,694.54
05/31/2010	GST/HSTCA0008	File Sales Tax	37,533.85
06/30/2010	GST/HSTCA0009	File Sales Tax	23,359.59
			<u>377,311.65</u>
		Total	<u>377,311.65</u>

CLARIFICATIONS REQUESTED

1. What is the period covered by your audit? What are the issues, if any, the CRA is currently contemplating looking into?

During our July 27 meeting, you could not precisely confirm which periods are the subject matter of your audit. Express Gold has already been subject to a full scale audit by the CRA and between 2007 and 2009, we had a number of communications with the CRA to have Express Gold refunds processed. During those communications, Ms. Roche was unequivocal that she had a number of verifications to make before the refund claims could be processed.

While we cannot question your authority to audit, we question the opportunity and reasonableness of reviewing the same periods or the same issues twice. Incidentally, Express Gold's operations have not changed substantively over the years and are, in essence, as described in our January 3, 2007 letter. Accordingly, the subject-matter of the CRA's previous audit is now moot and we can see no apparent reason for holding up the processing of Express Gold's refund claims.

2. That there are no preconceived views in respect of this audit.

Mr. Balinda, in a telephone conversation in March 2010 intimated that Express Gold should consider its GST cost as a loss. The thinking behind this assertion is that Express Gold is perceived as a "financial institution" selling non-taxable gold under subsection 123(1), and thus not being able to claim ITCs. In our July 27 meeting, he seemed to have resiled from that view. Kindly confirm.

Similarly, there were suggestions in the past that for Express Gold to be able to get an ITC, CRA would have to be satisfied that Express Gold's supplier collected GST. We need to know whether you intend taking such a position in the forthcoming audit and the basis for doing so.

As you can appreciate, it is crucial for Express Gold to know in advance if there are positions the CRA intends to take and which can lead to an exposure. Historically, Express Gold has always been compliant with the applicable legislation and CRA, and to the extent certain practices need to be changed, fairness dictates an advance notification to taxpayers.

Mr. Salama needs to be advised if certain practices need to be changed so as to avoid any ambiguity in his returns and avoid disturbance in his business flow and money flow. If he has to pay GST/HST or not, that is the question. If he pays, then he should be refunded in a timely fashion. If not, then he would need a letter of explanation to his clients to avoid any legal action as has happened in the past.

3. Expertise and experience in the gold business.

The gold business has its own business practices. In the past, Mr. Salama had to deal with unexperienced tax auditors, not necessarily from the CRA. It is important that your current team has the requisite expertise and experience to avoid misconceptions and miscommunications. We want to make sure that the CRA has the requisite experience and expertise in the gold business so Mr.

Salama will not have to reinvent the wheel. He has done it in the past but is not prepared to do it once again.

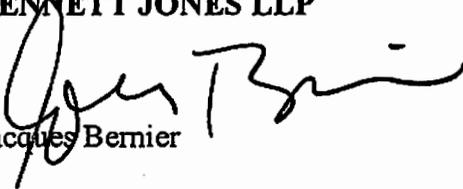
This is particularly important in the context of the quickbook files. The gold business does not fit into the quickbook model, so Express gold had to use it to the best of its capabilities. For those reasons, running standard analysis tools will not produce accurate results. Accordingly, it is often necessary to generate the required reports in order to know exactly what is being analyzed and how it is being used. To obtain an accurate picture, it is important for Mr. Salama to be given an opportunity to explain results. One notable example is that the sales reported are not what quickbook reports because Express Gold reports net tax. Lastly on this subject, there are certain gains in the accounting books for the current period as Express Gold's accountant recently resigned and the transition has not been fully done. *

As you can appreciate, my client and his family have been through an insurmountable amount of undue stress dealing with these matters. If there are positions that you intend taking in this audit, he is entitled to know them in advance.

We look forward to hearing back from you regarding this matter and discussing the next steps, including a tour of Express Gold's facilities. Again, contrary to what you suggested during our meeting, we are not asking for those clarifications because we want to "butt heads" but because it would be unfair to expose Mr. Salama and his family to live under the "Sword of Damocles" as they had to in 2006 and 2007, with no apparent justification.

Yours truly,

BENNETT JONES LLP


Jacques Bernier

JB/jl

Encls.

C: Mr. Atef Salama
Express Gold Refining Ltd.

Mr. Robert Balinda
Audit Division/Toronto Centre TSO
Canada Revenue Agency

BENNETT JONES | LLP

3400 1 First Canadian Place
 PO Box 130
 Toronto Ontario
 Canada M5X 1A4
 Tel 416.863.1200
 Fax 416.863.1716
 www.bennettjones.ca

Steven K. D'Arcy
 Direct Line: 416.777.4825
 e-mail: darcys@bennettjones.ca
 File No.: 59218-1

January 3, 2007

Canada Revenue Agency
 1 Front Street West
 Toronto, Ontario
 M5J 2X6

Attention: Mr. Raj Bhatla

Re: Express Gold Refining Ltd., GST Registration Number 138557095RT0001

We are writing in response to Mr. Bhatla's letter of November 8, 2006. An extension until January 5, 2007 to respond to your letter was granted by Ms. Roach of your office.

I. FACTS

1. Express Gold Refining Ltd. ("Express Gold") is a precious metal dealer and refiner. It provides gold refining services and also purchases gold for sale to third parties.

A. November 8, 2006 CRA Letter

2. In a letter dated November 8, 2006, Mr. Raj Bhatla of the audit division of the CRA's Toronto, Front Street office informed Express Gold that it was proposing to increase its Division II tax collectable for February 2005 by \$1,554,209 and its net tax collectable for the fiscal year ending May 31, 2005 by approximately \$10.15 million.

3. The proposed adjustment relates to sales of what is referred to by the CRA as "grain gold", by Express Gold to certain third parties. The CRA is taking the position that sealed bags of "grain gold" are not a precious metal, as that term is defined in subsection 123 of Part IX of the Excise Tax Act (the "GST legislation").

4. The CRA provided, as an appendix to its letter, a list of sales made by Express Gold in February 2005. The list notes the sales price, the customer name and the type of product. The type of product is identified by the CRA as either a kilo gold bar or a "kilo bag of grain gold".

5. Of the \$1,554,209 proposed assessment for February 2005, approximately 88% relates to sales of gold by Express Gold to 9141-7220 Quebec Inc. ("Krikor").

6. Krikor is located in Montreal, Quebec and is a manufacturer of jewelry.

B. Business carried on by Express Gold

(a) Overview of business carried on by Express Gold

7. Express Gold provides gold refining services to several commercial vendors, normally jewelers and scrap metal dealers. The gold has been recovered by the commercial vendors from scrap or jewelry and is not refined to an investment quality purity (the "Unrefined Gold").

8. Express Gold retains Johnson Matthey Limited ("Johnson Matthey") to perform the actual refining. Johnson Matthey invoices Express Gold for its refining services.

9. Once the Unrefined Gold is refined by Johnson Matthey it has an investment quality gold content of 99.99% (the "Refined Gold"). The Refined Gold provided by Johnson Matthey is in one of two forms: gold bars (the "Gold Bars") or sealed bags of gold "casting grain" (the "Sealed Gold Bags"). Appendix A contains a picture of a Gold Bar and a Sealed Gold Bag produced by Johnson Matthey. Note that the gold content, the weight and the name of the refiner (Johnson Matthey) are shown on both the Gold Bar and the Sealed Gold Bag.

10. As explained below, once the Refined Gold is received it is either retained by the commercial vendor or sold by the commercial vendor to Express Gold.

11. Regardless, Express Gold charges a fee to the commercial vendor for the refining services.

12. If Express Gold purchases the Refined Gold from the commercial vendor, then it normally immediately resells the Refined Gold to a third party.

(b) Example of specific Transactions

(i) Transactions with Poscor

13. During 2005 one of Express Gold's major suppliers/customers was Poscor Mill Services Corp. ("Poscor"). Poscor¹ is one of the largest value added processors of ferrous metal in Canada.

14. During 2005, including February 2005, Express Gold entered into contracts with Poscor pursuant to which the following transactions occurred:

- (a) Express Gold agreed to provide refining services to Poscor with respect to Unrefined Gold. Poscor recovered the Unrefined Gold from scrap.
- (b) Express Gold retained Johnson Matthey Limited ("Johnson Matthey") to perform the refining. Johnson Matthey invoiced Express Gold for its refining services.

¹ Poscor has provided Express Gold with its GST registration number (884010224).

January 3, 2007

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- (c) Poscor shipped the Unrefined Gold directly to the premises of Johnson Matthey and provided an estimate to Express Gold of the gold content of the Unrefined Gold. Express Gold would then provide the estimate to Johnson Matthey.
- (d) After receiving the Unrefined Gold, Johnson Matthey would run a "trial analysis" to confirm the estimate provided by Poscor. It would then provide an advance (the "Advance") to Express Gold equal to 95% of the estimated gold content. The Advance was provided in Refined Gold.
- (e) Once Express Gold received the Refined Gold it would provide a cash deposit to Poscor equal to 90% of the value of the estimated gold content in the Unrefined Gold (the "Deposit").
- (f) At the time the Unrefined Gold was refined by Johnson Matthey it was owned by Poscor. Express Gold never acquired the Unrefined Gold.
- (g) Once the refining was completed by Johnson Matthey and the actual weight of the Refined Gold was determined, Johnson Matthey would physically provide Refined Gold to Express Gold in an amount equal to the difference between the actual weight of the Refined Gold and the weight of the Refined Gold previously provided as the Advance.
- (h) Johnson Matthey would invoice Express Gold for its refining charges plus applicable GST.
- (i) Once the above occurred, one of the following transactions was completed between Poscor and Express Gold:
 - (i) Poscor elected to retain the Refined Gold. If this occurred then the Deposit was returned to Express Gold and Express Gold physically provided Poscor with the amount of Refined Gold produced by Johnson Matthey from the Unrefined Gold provided by Poscor. Express Gold charged Poscor an amount (plus GST) for the refining services
 - (ii) Poscor elected, pursuant to its contractual agreement with Express Gold, to sell the Refined Gold to Express Gold. If the sale occurred then the Deposit was applied to the sale price for the Refined Gold. No GST was charged by Poscor with respect to the sale of the Refined Gold by it to Express Gold. Express Gold charged Poscor an amount (plus GST) for the refining services.
- (j) If Express Gold purchased the Refined Gold from Poscor then it immediately resold the Refined Gold to one of its customers. In most instances Express Gold had arranged for a person to buy the Refined Gold, prior to the time it purchased the gold from Poscor.

- (k) During the month of February 2005, 95% of the Refined Gold sold by Express Gold was purchased from Poscor.

(ii) Transactions with other commercial suppliers

15. During 2005 Express Gold also purchased Unrefined Gold from a number of commercial suppliers, normally jewelers. Transactions with the other commercial customers occur as follows:

- (a) The commercial customer presented the Unrefined Gold at Express Gold's premises.
- (b) The Unrefined Gold was placed in an x-ray analysis machine that verified the gold content in the Unrefined Gold.
- (c) The commercial customer was paid a deposit by Express Gold equal to the gold content determined by the x-ray analysis machine times the market price for gold.²
- (d) Express Gold then sent the Unrefined Gold to Johnson Matthey for refining. Once the amount of Unrefined Gold sent by Express Gold on behalf of the commercial customers equaled a certain amount (fifteen to forty kilograms), Johnson Matthey would provide an Advance to Express Gold. Similar to the transactions involving Poscor, the Advance was provided in Refined Gold.
- (e) Once the refining was completed by Johnson Matthey and the actual weight of the Refined Gold was determined, Johnson Matthey would physically provide Refined Gold to Express Gold in an amount equal to the difference between the actual weight of the Refined Gold and the weight of the Refined Gold previously provided as the Advance.
- (f) Once the above occurred, one of two transactions was completed between Express Gold and the commercial customer:
- (i) The commercial customer retained the Refined Gold.
- (ii) The commercial customer elected to sell the Refined Gold to Express Gold. If this occurred, the Deposit was applied to the purchase price. No GST was charged by the commercial customer when the Refined Gold was sold to Express Gold.

(iii) Other gold transactions

16. In certain instances Express Gold purchased Unrefined Gold from commercial customers. The commercial customers charged Express Gold GST when they sold the Unrefined Gold to Express Gold.

² In a few instances, where the quantity was small (2 or 3 kilos), Express Gold provided an advance in Refined Gold.

17. Express Gold has also, in the past, purchased Refined Gold directly from financial institutions, such as the Bank of Nova Scotia. The Refined Gold has been provided in the form of either Gold Bars or Sealed Gold Bags. The Sealed Gold Bags have been provided in various weights (such as 100 oz bags, 200 oz bags). For example, Express Gold has, in the past, purchased Refined Gold in the form of Gold Bars and Sealed Gold Bags from the Bank of Nova Scotia. The bank did not charge GST on the sale of the Refined Gold. With respect to the Sealed Gold Bags, the Bank of Nova Scotia treats the sale as the sale of gold *ingots* that have been refined to the 99.99% purity level, i.e. the sale of a precious metal.

II. POSITION OF EXPRESS GOLD

It is the position of Express Gold that:

- (a) The sale of the Sealed Gold Bags represents the sale of a financial instrument under the GST legislation.
- (b) When assessing Express Gold, the CRA is required to take any allowable input tax credits into account when determining the net tax of Express Gold for a particular reporting period.

III. RELEVANT GST PROVISIONS

A. Supply of Precious Metal

The GST legislation contains special rules that apply to the sale of precious metals. The term precious metal is defined in subsection 123(1) to mean, in part, a bar, ingot, coin or wafer that is composed of gold and that is refined to a purity level of at least 99.5%.

While the words "bar, ingot, coin or wafer" are not further defined in the Act, their meaning was discussed in depth in *Bombay Jewellers Ltd. v. Canada*³. In this case, the appellant was a jeweler who sold gold to its customers by cutting pieces, usually in the shape of a bar, from a larger gold bar. The CRA assessed the appellant on the basis that the pieces did not fall within the definition of a "precious metal". The main issue on appeal was whether the Court should apply the ordinary meaning of the words "bar, ingot" and "wafer" or the technical meaning. The appellant argued that the ordinary meaning of a "bar" as a metal in rectangular shape should apply. The respondent argued that the technical meaning should apply, pursuant to which a bar generally referred to a financially tradable product with the weight, purity and manufacturer marked upon it.

The Court agreed with the respondent and adopted the technical meaning. The words were used in the context of a section dealing with financial instruments, all of which are "readily transferable, have a readily ascertainable value, are readily identifiable and are more or less saleable." The Court concluded that Parliament must have intended to include only investment quality gold in the definition of financial services, and that "to accept the dictionary, common or general definition of the terms would lead to an absurd result." The pieces sold by the appellant did not possess the

³ [1998] G.S.T.C. 94 (TCC Gen). Referred to as the *Bombay Jewellers Case*.

characteristics of a financial instrument. Once cut, they could not be sold to banks or otherwise disposed of readily. The pieces also were not marked as to purity, or to the manufacturer.

The supply of a precious metal is either zero-rated or exempt. The supply is zero-rated under section 3 of Part IX of Schedule VI if the supply is made by the refiner thereof or by the person on whose behalf the precious metal was refined. In all other instances the supply of a precious metal constitutes the exempt supply of a financial service. Specifically, the sale of the precious metal would constitute the financial service of transferring ownership of a financial instrument.

B. CRA obligation to allow unclaimed input tax credits when assessing a taxpayer

Pursuant to subsection 296(2) of the GST legislation, when assessing a GST registrant for a particular reporting period, the CRA is required to take any allowable input tax credits into accounting when assessing the net tax for the reporting period. The Minister is required to take the input tax credit into account provided the input tax credit was not claimed by the registrant in a return filed before the day the notice of assessment is sent to the registrant.

IV. APPLICATION OF GST TO THE REFINED GOLD PURCHASED AND SOLD BY EXPRESS GOLD

It is respectfully submitted that the purchase and sale of both the Gold Bars and the Bags of Gold by Express Gold represents the purchase and sale of a financial instrument, a precious metal.

When determining the taxation of the gold sold in the *Bombay Jewellers Case*, the Court focused on whether the cut gold bar was a tradable financial instrument.

The Court noted the testimony of an expert witness from the Bank of Nova Scotia who stated that the product would only be tradable if it was produced or cast at approved mints or smelters and stamped by an assayer. The expert noted that the product produced by the mint or smelter had the weight, purity and manufacturer marked on it.⁴

The Court found⁵ that the following key characteristics should be considered when determining if the product being considered is a financial instrument:

- (a) Is the product readily transferable?
- (b) Does the product have a readily ascertainable value?
- (c) Is the product readily identifiable?
- (d) Is the product more or less saleable?

⁴ Ibid, at para. 24.

⁵ Ibid, at para. 71

Each of the two products purchased and sold by Express Gold, the Gold Bars and the Sealed Gold Bags are tradable commodities. They are both produced by a world-accepted refiner and assayer, Johnson Matthey, who marks the weight, purity and manufacturer on the Refined Gold product (see Appendix A).

We understand that the CRA accepts that the Gold Bars are a financial instrument. The Sealed Gold Bags are also financial instruments. In the first instance, the Sealed Gold Bags are readily transferable. Each of the Sealed Gold Bags is identified as being produced by Johnson Matthey, with the purity (99.99%) and weight noted on the bag. For example, provided the seal in the bag shown in Appendix A has not been broken, the Sealed Gold Bag is tradable as 1 kilogram of gold with a purity level of 99.99%.

Secondly, the Sealed Gold Bag has a readily identifiable value. It is the current market price for gold times the weight noted on the sealed bag.

Thirdly, the Sealed Gold Bag is readily identifiable. It is a one-kilogram sealed bag of Refined Gold produced by Johnson Matthey.

Fourthly, the Sealed Gold Bag is saleable. As noted in the above facts, Express Gold on numerous occasions sold the Sealed Gold Bags in 2005 based purely on the weight noted on the bag and the then market price. Further, the Bank of Nova Scotia, one of Canadian's leading financial institutions, regularly sells sealed bags of gold as financial instruments (gold ingots). The Bank's sale price is based on the weight noted on the bag and the current market price for gold. It is important to remember that it was the testimony of an expert from the Bank of Nova Scotia that was relied upon by the Tax Court in the *Bombay Jewellers Case*.

In short, the Sealed Gold Bags are treated by the gold community as a financial instrument.

V. CRA REQUIRED TO AUDIT TO NET TAX

In his letter of November 8, 2006, Mr. Bhatla refers to a proposed assessment of \$1,554,209 for February 2005 and approximately \$10.15 million for the fiscal year ending May 31, 2005. In arriving at these numbers the CRA audit division has only considered the tax that it considers Express Gold should have collected in respect of the sale of the Sealed Gold Bags. It has not taken into consideration any input tax credits that would arise if the supply of the Sealed Gold Bags were taxable.

If the supply of the Sealed Gold Bags was taxable (which is expressly denied by Express Gold) then GST would not only have been collectable by Express Gold when the Refined Gold was sold to Express Gold's customers⁶, it would have also been payable by Express Gold when it purchased the Refined Gold from its suppliers.⁷

⁶ Such as Krikor

⁷ Such as Poscor

January 3, 2007
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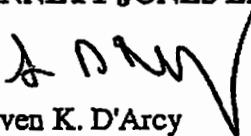
Express Gold is not a manufacturer of Refined Gold; any Refined Gold it sold was purchased from a third party. As noted in the above facts, the Refined Gold was, in most instances, purchased immediately before it was sold by Express Gold to a third party.

As discussed previously, subsection 296(2) of the GST legislation requires the CRA to take any allowable input tax credits into account when assessing the net tax for a reporting period of Express Gold. Therefore, if the CRA were to pursue its position that the sale of the Sealed Gold Bags was taxable, then it is required to take into account the input tax credits for the tax that would have been payable when the Sealed Gold Bags were purchased by Express Gold. Since the Sealed Gold Bags were, in most instances, purchased immediately before they were sold, the input tax credit would arise in the same reporting period as the tax payable in respect of the subsequent sale of the Sealed Gold Bags.

For the month of February 2005, Express Gold has calculated the input tax credits to be approximately \$1,551,013. If one assumes that the sale of the Sealed Gold Bags was taxable (which is denied by Express Gold), Express Gold's net tax for February 2005 would increase by approximately \$3,000; not the \$1.554 million noted in Mr. Bhatla's letter.

Yours truly,

BENNETT JONES LLP



Steven K. D'Arcy

cc: Ms. Susan Roach, Canada Revenue Agency
Mr. Ataf Salama, Express Gold Refining Ltd.

APPENDIX A



Johnson Matthey

FINE GOLD
CASTING GRAIN

9999+

7 KILO

WT.

MADE IN CANADA BY
Johnson Matthey Limited
FABRIQUÉ AU CANADA PAR

1170





Canada Revenue
Agency

Agence du revenu
du Canada

Toronto Centre Tax Services Office
1 Front Street West
Toronto, ON M5J 2X6

JUN 29 2007

Your file / Votre référence

Our file / Notre référence

Express Gold Refining Ltd.
21 Dundas Square, Suite 401
Toronto, ON M5B 1B7

Attention: A. Salama

Dear Mr. Salama:

Re: Your Representative's Correspondence of January 3, 2007
BN 138557095RT0001

The following is in response to your representative's letter of January 3, 2007. We apologise for delay in reply.

This will document my conversation with Steven D'Arcy of June 14, 2007 in which I confirmed our opinion that the sale of refined gold in forms other than that defined in section 123(1) of the Excise Tax Act is taxable at 7% (for the periods in question - periods subsequent to July 1, 2006 are taxable at 6%).

I also confirmed that the Agency policy that we audit to "Net Tax" - in other words, any applicable input tax credits (ITC) would be allowed when assessing GST. Specifically, as the sale of the refined gold in grain format would be taxable when sold by a vendor, that vendor would be responsible for collecting the GST on these sales. For Express Gold's specific situation, Poscor Mills would have to collect the GST on the grain sales made to Express Gold - Express Gold would then be entitled to the ITC.

As discussed with Mr. D'Arcy, we are also available to meet with you for any additional information you may want to supply. Please be advised that I will be away from the office until Monday, July 9, 2007.

We trust this is satisfactory.

Yours truly,

Suzanne Roche
Team Leader, Audit
416-952-1754

Jacques Bernier
Partner
Direct Line: 416.777.4897
e-mail: bernierj@bennettjones.com

October 6, 2010

BY FAX & BY MAIL

Joe Tucci
Team Leader
Toronto Centre Tax Services Office
Canada Revenue Agency
1 Front Street West
Toronto ON M5J 2X6

Dear Mr. Tucci:

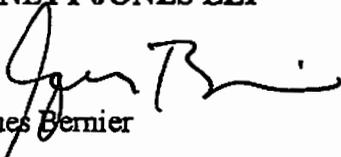
**Re: Express Gold Refining Ltd.
BN 138557 095 RT0001**

We have not heard back from you since our August 6th letter. As you know, there are a number of points that require clarification from the Canada Revenue Agency. Most importantly, a number of refund claims remain outstanding and my client is entitled to have them processed without delay.

Given the history of this matter, we hope to hear back from you at your earliest convenience.

Yours truly,

BENNETT JONES LLP


Jacques Bernier

JB/am

C: Mr. Atef Salama
Express Gold Refining Ltd.

Mr. Robert Balinda
Audit Division/Toronto Centre TSO
Canada Revenue Agency

Jacques Bernier
Partner
Direct Line: 416.777.4897
e-mail: bernierj@bennettjones.com

November 2, 2010

BY FAX & BY MAIL

Joe Tucci
Team Leader
Toronto Centre Tax Services Office
Canada Revenue Agency
1 Front Street West
Toronto ON M5J 2X6

Dear Mr. Tucci:

**Re: Express Gold Refining Ltd. ("Express Gold")
BN 138557 095 RT0001**

In a letter addressed to you dated August 6, 2010, we advised the Canada Revenue Agency ("CRA") that a number of GST/HST refund claims made by Express Gold still remain unpaid. Furthermore, pursuant to our meeting of July 27, 2010, the letter also sought clarification from CRA on a number of issues related to the proposed audit of Express Gold.

Having received no response to the August 6th letter, a follow-up letter was sent to you on October 5, 2010. This letter was to remind CRA of the outstanding refund claims and to impress upon CRA the urgency with which this matter needs to be addressed. To date, we have heard nothing from the CRA. While our client has been cooperating with the CRA since the outset of CRA's enforcement activities in 2006, we have now reached a stage where the *status quo* is no longer acceptable.

We refer you to subsection 229(1) of the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "Act"), which provides as follows:

Where a net tax refund payable to a person is claimed in a return filed under this Division by the person, the Minister shall pay the refund to the person with all due dispatch after the return is filed. [Emphasis added]

To date, the following refund claims are outstanding:

Date	Num	Memo	Amount
08/10/2009	I-36065	GST - From 01/07/2009 To 31/07/2009	32,397.84
09/09/2009	I-36066	GST - From 01/08/2009 To 31/08/2009	25,973.72
10/16/2009	I-36091	GST - From 01/09/2009 To 30/09/2009	31,356.38
10/31/2009	GST/HSTCA0001	File Sales Tax	33,007.01
11/30/2009	GST/HSTCA0002	File Sales Tax	28,284.43
12/31/2009	GST/HSTCA0003	File Sales Tax	27,920.64
01/31/2010	GST/HSTCA0004	File Sales Tax	27,477.50
02/28/2010	GST/HSTCA0005	File Sales Tax	37,206.60
03/31/2010	GST/HSTCA0006	File Sales Tax	43,099.55
04/30/2010	GST/HSTCA0007	File Sales Tax	29,694.54
05/31/2010	GST/HSTCA0008	File Sales Tax	37,533.85
06/30/2010	GST/HSTCA0009	File Sales Tax	23,359.59
07/31/2010	GST/HSTCA0010	File Sales Tax	63,779.58
08/31/2010	GST/HSTCA0011	File Sales Tax	33,070.81
			474,162.04
			474,162.04

As previously explained, CRA's failure to address this issue has created an undue amount of stress, both financial and emotional, to Express Gold, Mr. Salama, and his family. Moreover, CRA's refusal to rectify the issue without justification is compounded by its refusal to provide our client with any clarification of CRA's positions. Express Gold, now paying HST to its suppliers at a rate of 13%, has been unable to recover these costs through the Input Tax Credit ("ITC") regime. By refusing to properly address this situation, CRA has placed our client in an unsustainable position. Continued inaction on CRA's part jeopardizes our client's business and Mr. Salama and his family's livelihood.

Express Gold has suffered and continues to suffer extreme prejudice due to the CRA's refusal to issue the refund. Given that the CRA has four years to reassess Express Gold, including in respect of the ITCs that are the subject-matter of Express Gold's refund claims, the CRA's inaction in the circumstances raises serious questions.

Accordingly, a demand is hereby made that CRA process the refunds owing to Express Gold no later than on November 30, 2010, failing which legal action will be instituted without further notice.

While we would be happy to discuss this matter further with a view to resolving it in a timely fashion, Express Gold is fully prepared to pursue its rightful claims in the event that CRA

continues to ignore its obligations and cause Express Gold and the Salama family irreparable harm.

Yours truly,

BENNETT JONES LLP



Jacques Bernier

JB/

C: Mr. Atef Salama
Express Gold Refining Ltd.

Mr. Robert Balinda
Audit Division/Toronto Centre TSO
Canada Revenue Agency

Maria Gaglia, Manager
Small & Medium Enterprises
Canada Revenue Agency

Jacques Bernier
Partner
Direct Line: 416.777.4897
e-mail: bernierj@bennettjones.com

December 22, 2010

BY FAX & BY MAIL

Joe Tucci
Team Leader
Toronto Centre Tax Services Office
Canada Revenue Agency
1 Front Street West
Toronto ON M5J 2X6

Dear Mr. Tucci:

**Re: Express Gold Refining Ltd. ("Express Gold")
BN 138557 095 RT0001**

The purpose of this letter is to follow-up on a voicemail message I left for you earlier today in respect of our client, Express Gold. GST/HST refund claims made by Express Gold, which were the subject of letters sent to the Canada Revenue Agency (the "CRA") on each of August 6th, October 5th, and November 2nd still remain unpaid.

We recognize and respect the CRA's right to pursue an audit of Express Gold, but we are concerned that the issues associated with its audit are underlying its refusal to issue the refunds whereas, in reality, these matters are completely discrete. Many of the issues raised by the auditor are systemic issues that affect the industry as a whole, while others are simply not relevant to the refunds in question.

While we would be happy to discuss these issues and their impact on our client, the refunds in question were claimed in respect of transactions pursuant to which GST was properly paid and for which tax credits were claimed through the mechanisms provided for under the relevant legislation. The CRA must not conflate these issues and rely on its ongoing audit as justification for refusing to issue the refunds. Accordingly, we request confirmation that the refunds will be issued without delay.

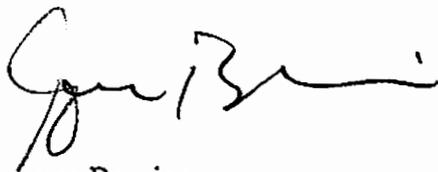
I would refer you to the *Taxpayer Bill of Rights*, published by the CRA. In this document the CRA affirms that taxpayers can "expect [CRA] to listen to [them], take [their] circumstances into account, and treat [them] fairly". The CRA also promises to provide taxpayers with "complete, accurate and timely information that will explain in plain language the laws and policies that apply to [their] situation, to help [them] get your entitlements and meet [their] obligations".

Our client does not feel as if the CRA has lived up to these commitments vis-à-vis his circumstances. This is particularly distressing, given that Express Gold has been nothing but cooperative throughout the audit as well as in the course of previous investigations by the CRA of other actors in the industry. As explained on multiple occasions, the CRA's failure to issue the refunds to which Express Gold is entitled has put Mr. Salama's family-run business in jeopardy.

We therefore ask the CRA take immediate steps to remedy this situation.

Yours truly,

BENNETT JONES LLP



Jacques Bernier

JB/

C: Mr. Atef Salama
Express Gold Refining Ltd.

Mr. Robert Balinda
Audit Division/Toronto Centre TSO
Canada Revenue Agency

This is **Exhibit "H"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R

March 14, 2011

Express Gold Refining Limited
 215 Victoria Street, Suite 400
 Toronto, Ontario
 M5B 1T9

Your file / Votre référence

Our file / Notre référence

Attention: Mr. Atef Salama

Dear Mr. Salama:

Re: GST/HST Returns: 2008-06-01 to 2010-08-31
 Business Number: 13855 7095 RT0001

We have completed our audit of your GST/HST returns for the period noted above and are now proposing to make adjustments as follows:

1. GST/HST assessed re: taxable supplies of scrap metal \$11,508,419

For the period under review, Express Gold Refining Limited ("EGR") sold scrap metal to Johnson Matthey Limited ("JM") totalling \$209,536,163 in respect of which GST/HST of \$11,508,419 was not reported. Audit has determined that a supply of scrap metal constitutes a taxable supply of property because scrap metal does not meet the purity and form requirements of a precious metal, the supply of which would not be subject to GST/HST. Therefore, Audit is of the view that under subsections 221(1) and 165(1) of the Excise Tax Act ("ETA"), EGR was required to collect and remit GST/HST on the taxable supplies of scrap metal made to JM for the period under review. As a result, under subsection 296(1) of the ETA, we are now proposing to assess the unreported GST/HST of \$11,508,419 on the taxable supplies of scrap metal in question. (For details of this proposed adjustment, please see the attachments 100.00 through 100.25)

2. GST/HST assessed re: taxable supplies of grain gold \$1,552,144

For the period under review, EGR was engaged in barter transactions where by customers exchanged with EGR, scrap metal for pure gold grain. Normally, an exchange of property between two persons in a barter transaction will constitute a supply of property made by each of the persons. The value of the consideration for the supply made by one person is the fair market value of the property received from the other person. Therefore, in circumstances where by the persons involved in the barter transaction are exchanging properties whose supply is taxable at the standard rate, such persons are required to collect and remit tax on the respective supplies made by them. In this case,

EGR made taxable supplies of grain gold in the barter transactions at issue in respect of which it was required to collect and remit GST/HST under subsections 165(1) and 221(1) of the ETA. As a result, under subsection 296(1) of the ETA, we are now proposing to assess the unreported GST/HST of \$1,552,144 on these taxable supplies for the period under review. (For details of this proposed adjustment, please see the attachments 200.00 through 200.04)

3. Input tax credit disallowed re: Purchase of elevator \$6,800

Audit has determined that EGR incorrectly claimed an input tax credit ("ITC") of \$6,800 related to elevator costs of \$136,000 incurred by Farag Properties Inc. ("Farag"). Since Farag was the person liable to pay for the cost of the elevator, under subsection 123(1) definition of "recipient", it was Farag and not EGR who was the "recipient" of the supply of the elevator. Therefore, it was Farag who was the person eligible to claim the ITC under subsection 169(1) of the Act. Consequently, Audit is now proposing under subsection 169(1) of the ETA to disallow the incorrectly claimed ITC of \$6,800. (For details of this proposed adjustment, please see the attachments 300.00 through 300.04)

The proposed adjustments will be subject to interest under subsection 280(1) of the ETA. Interest will continue to accrue until full payment of the amount owing has been received.

However, we are considering reducing the interest applicable on Adjustments (1) and (3) under the Canada Revenue Agency's Wash Transactions Policy outlined in GST/HST Memoranda Series 16.3.1. In addition, we will also consider reducing the interest applicable on Adjustment (2) if you provide us with the information that will enable us to determine if the conditions for the application of the Wash Transactions Provisions are met.

We ask that you review the attachments and, within 30 days of the date of these proposed adjustments, either confirm that you agree with these proposed adjustments or provide a written explanation of why you do not agree with the adjustments and your reasons.

If we do not receive your written representations to these proposed adjustments by April 12, 2011, then we shall proceed with processing these adjustments on that date.

We thank you for your assistance during the audit.

- 3 -

Yours truly,



Robert Balinda

Audit Division

Tax Services Office: 13 - Toronto Centre

Telephone: 416 - 250-7907

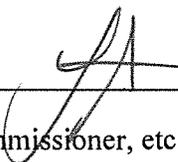
Facsimile: 416 - 954-6015

Address: 1 Front Street West, Suite 100

Toronto, ON M5J 2X6

Internet: www.cra.gc.ca

This is **Exhibit "I"** to the Affidavit
of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

Baker & McKenzie LLP
 Barristers & Solicitors
 Brookfield Place
 181 Bay Street, Suite 2100
 P.O. Box 874
 Toronto, Ontario, Canada M5J 2T3

Tel: +1 416 863 1221
 Fax: +1 416 863 6275
 www.bakernet.com

BY HAND

July 15, 2011

Reply to:
 Jacques Bernier
 +1 416 865 6803
 Jacques.Bernier@bakermckenzie.com

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Mr. J. McNamara
 Assistant Director, Audit
 Toronto Centre Tax Services Office
 Canada Revenue Agency
 1 Front Street West
 Toronto ON M5J 2X6

CANADA REVENUE AGENCY
 AGENCE DU REVENU DU CANADA

JUL 15 2011

TORONTO
 DELIVERED BY HAND

Dear Mr. McNamara:

RE: Express Gold Refining Ltd. ("EGR")
 BIN # 13855 7095 RT0001

In the interest of time, we have provided Mr. Balinda with EGR's submission further to the reassessment proposal dated March 14, 2011 (copy enclosed). As already discussed, to the extent that Mr. Gilbert's group (from the Toronto West TSO) has come up with findings concerning EGR, it is our view that these should be communicated to us so that EGR can have an opportunity to comment.

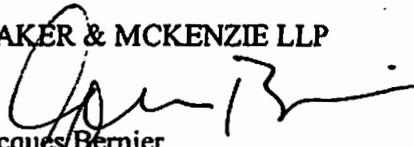
In the bigger scheme of things, the reassessment proposal raises questions of a legal and policy nature affecting the whole gold industry, and not only EGR. In such circumstances, it is important that those legal and policy questions be examined by Head Office and that a taxpayer like EGR not be singled out by the CRA and put into a competitive disadvantage.

For those reasons, I will be contacting you shortly to discuss the next steps in connection with this matter, and in particular, to ensure that an industry-review be done at your Head Office in the event that any technical issues remain unresolved at the Audit level.

We have advised Mr. Balinda accordingly and asked him to defer any assessment action in the interim. Should there be issues or concerns in that regard, kindly contact me.

Yours very truly,

BAKER & MCKENZIE LLP


Jacques Bernier

JB/jl

c: Mr. A. Salama, General Manager
Express Gold Refining Ltd.

Mr. D. Cistema, Partner, Indirect Tax
Deloitte & Touche LLP

Ms. B. Sanson, Section Manager, Audit
Mr. J. Tucci, Team Leader
Mr. R. Balinda, Audit
Canada Revenue Agency
Toronto Centre TSO

**SUBMISSION TO THE CANADA REVENUE AGENCY
FURTHER TO ITS PROPOSAL DATED MARCH 14, 2011 FOR
GST/HST ADJUSTMENTS CONCERNING EXPRESS GOLD REFINING LTD.**

OVERVIEW

In a letter dated March 14, 2011, the Canada Revenue Agency ("CRA") proposed two significant adjustments to the Goods and Services Tax/Harmonized Sales Tax ("GST/HST") Returns filed by Express Gold Refining Ltd. ("EGR") for the reporting periods from June 1, 2008 to August 31, 2010. The first adjustment relates to EGR's transactions with Johnson Matthey Limited ("JM") totalling \$209,536,163¹, which the CRA claims were "sales of scrap metal" by EGR to JM. In the CRA's view, these transactions were taxable supplies representing \$11,508,419 in alleged uncollected and unreported GST/HST. The second proposed adjustment relates to transactions between EGR and its clients (*i.e.*, jewellers, wholesalers and manufacturers) who brought unrefined gold to EGR to receive refined gold from EGR. For these transactions, the CRA is of the view that the return of gold to the suppliers by means of "grain gold" was part of a barter transaction which would not be eligible for relief from GST/HST pursuant to the deemed "NIL consideration rule" under subsection 153(3) of the *Excise Tax Act* (the "ETA"). Accordingly, the CRA asserts that EGR owes \$1,552,144 in uncollected and unreported GST/HST on these transactions as well.

EGR disagrees with the proposed adjustments and submits that the CRA misinterpreted the transactions in question. First, there are no "sales of scrap gold" by EGR to JM at the

¹ The actual total should be \$209,539,163 (*i.e.*, \$92,734,183.44 plus \$116,804,980) but the \$3,000 discrepancy is immaterial for present purposes. See R. Balinda's worksheet "Summary of Proposed Adjustments by Period".

time JM receives the bars of unrefined metal from EGR. While EGR may sell gold bullion after "settlement", the gold content of the unrefined bars is merely credited to EGR's own metal or refining accounts with JM. At all material times, EGR continues to own the gold in the unrefined bars throughout the refining process. While EGR may eventually sell its gold to JM after it has been refined into precious metal, such sale takes place after settlement and is only one of the three methods EGR can choose to deal with the gold contained in its metal accounts with JM. In particular, EGR may (1) ask JM to return the gold in bar form or grain gold form; (2) request that JM credit the gold to another metal account held with JM; or, (3) seek to fulfill a future contract for gold bars entered into by EGR. In such case, EGR will transfer pure gold from its metal account to its trading account, and JM's trading department will then buy and sell and cause physical delivery of the refined gold to a bank or through a commodity exchange.² Contrary to the CRA's assertion, the delivery of unrefined gold bars by EGR to JM is in the nature of a consignment or deposit arrangement (just like maintaining a brokerage account), which is not a taxable supply in and of itself. There are no sales of gold by EGR to JM except where EGR sells refined gold (in bars) to JM for resale by JM to a bank or on the COMEX. While EGR can obtain an advance (by means of a credit in gold quantity to its metal account) from JM for up to 95% of the estimated gold content of the unrefined bars, such arrangement does not alter the nature of the transactions described above. The credit is in the nature of financing for which JM charges a financing or advance fee. In fact, EGR does not always choose to receive such advances.

² For example, The Commodity Exchange, Inc. ("COMEX"), is a Designated Contract Market that offers products subject to COMEX rules and regulations. The COMEX is a division of the New York Mercantile Exchange and is the physical futures commodity exchange for gold, silver, aluminum and copper.

The above description of the arrangement between EGR and JM is consistent with the intent of the parties, the underlying documentation, the accounting and financial reporting and the income tax treatment by each party as well as long-established industry practices. Fundamentally, JM refines precious metals on EGR's behalf and, for that purpose, JM supplies treatment, assaying, refining and manufacturing services to EGR and charges EGR for these services (and collects and remits GST/HST where applicable).

The transactions between EGR and its clients involving the return of gold are conceptually also in the nature of a service in respect of which pure gold is merely returned to the client. Even if EGR's transactions were part of a barter transaction (which is denied), they would not give rise to tax when the applicable provisions are interpreted in light of their context and purpose.

FACTS

Background

1. EGR is owned and operated by the Salama family. EGR was founded in 1991 by Nabil Salama who emigrated to Canada from Egypt in 1984. At that time, he was a third generation precious metal dealer and jeweller as well as a lawyer active in the precious metal industry.
2. In 1991, Nabil Salama became incapacitated as a result of an accident. At the same time, he developed an interest in refining methods for precious metal. His interest grew into research and experimentation and, from that, EGR was created.

3. Atef Salama, one of Nabil's three sons, currently runs EGR's operations. He has a master's degree in computer engineering and has been running EGR's business since 2001. Atef followed in the path of his other two brothers who were initially involved in the business. The brothers are now devoting themselves full time to their church, the Coptic Orthodox Church.
4. EGR's business has grown considerably over the years. Initially, EGR only dealt with jewellers. EGR has expanded its market so that it now also transacts with manufacturers, wholesalers and investors. EGR has earned a reputation for integrity and trustworthiness over the years, a rare trait in the industry. EGR has become one of JM's largest clients for metal refining in Canada. JM is a world leader in the evaluation and refining of precious metals. It operates in 30 countries, employs 9,000 worldwide and has been developing its technology for almost 200 years.
5. The technology has also evolved over the years. When EGR began to carry on business, it took ten days or more for refiners like EGR to return refined gold to their clients. Now, this can be done on the same day with a reasonable degree of certainty using the x-ray method of assay. By contrast, it generally now takes a couple of days for results to be obtained under the fire method of assay. JM uses the fire method to assay its clients' gold. [The different assay methods and their impact on how EGR's business is conducted are described in more detail below.]

EGR's business

6. EGR's business activities include refining (unrefined) metal (principally gold) as well as buying and selling precious metal³ (mostly through engaging in precious metal future contracts and hedging transactions). When EGR refines (unrefined) metal, articles are brought to its premises by its clients and EGR refines them into a precious metal form that can be re-used or sold on the open market. These articles typically take the form of jewellery, dental gold grindings and gold dust particles. In the course of refining its client's unrefined metals, EGR will undertake the following steps:
- i. Melting;
 - ii. Assaying; and
 - iii. Refining/separation.
7. While the services in each of these steps can be supplied separately, most of EGR's clients request that EGR provide all of the services together.
8. Melting is the initial step in the refining process. It involves amalgamating all of the metal brought in by the client into a homogeneous bar (often referred to as an "ingot"⁴). Specifically, EGR takes all of the client's metal and places it in an induction furnace. An agent is added to the mix that allows the contents to remain homogeneous. Once the metal becomes molten, it is poured into a formed ingot and left to cool down. After it has

³ Precious metals are understood in the industry to include: gold, silver, platinum and palladium.

⁴ As defined by the Merriam-Webster dictionary: "1. : a mold in which metal is cast;
2. : a mass of metal cast into a convenient shape for storage or transportation to be later processed."

cooled, the metal is cleaned. Melting takes place at EGR's premises in the presence of the client. At this point, the client can elect to take the ingot back and pay EGR for the melting service. Otherwise, EGR will proceed to the next step(s) as described below and EGR will provide its client with an envelope and tag number identifying the client's ingot. The client also has the option to take a small sample of the melt for its own assay (defined below).

9. The second step in the refining process is the determination of the precious metal content of the ingot or the "assay"⁵. This can be done through various methods, including fire assay, x-ray analysis, wet acid assay, spectrum analysis or acid/stone testing. Each method varies in degree of accuracy. The fire assay method has been in use for over 3,000 years and has been the industry standard for many years and is the most accurate. However, the fire assay method is time consuming and has been gradually replaced over the past 20 years by technology using x-ray analysis. The x-ray analysis method provides an accurate result with an error margin of +/- 0.20% and can be completed in 60 seconds. EGR offers its clients the option to determine the purity of their ingot using x-ray analysis. When the client chooses this method, a written report is generated showing the breakdown of all the metals, including both precious metals and alloys (copper, zinc, etc.), contained in the client's bar. A sample report is attached under Tab A. At this point, EGR's client can take back its bar and the written report and have

⁵ As defined by the Merriam-Webster dictionary, assay means: "A chemical examination of metals, by which the quantity of valuable or precious metal contained in any mineral or metallic mixture, is ascertained."

the bar refined by another company. Where the client does so, EGR will invoice the client for the melting and assay services. However, in most cases, the client will ask EGR to proceed to the next step, the actual refining. At this point, the client is provided with a numbered "Record" document that describes the client's item (*i.e.*, a bar) and sets out its weight in grams and its precious metal content.

10. The third step is the actual refining or separation of the precious metal from the remainder of the ingot. During this step, the precious metals are recovered from the client's bar or ingot by using furnace, retort, and laboratory equipment and chemicals.
11. EGR used to perform the refining and separation of the metal itself at its own facility. In recent years, this has not been economically viable and EGR has engaged JM to provide the refining services on its behalf. JM performs this function on a large scale at its Brampton facility. The refining process at JM takes approximately five to six days to complete and throughout, the bars are specifically tracked as explained below. Accordingly, to fully appreciate EGR's business, both the transactions with JM and those with EGR's clients are examined below.

EGR's transactions with JM

12. JM provides two different types of services to EGR: (1) refining; and (2) precious metals trading. In this regard, EGR transacts with two different departments. Specifically, EGR obtains refining services from JM's refining operations while its trading is done with JM's trading department. Also,

EGR maintains different types of accounts at JM for each specific type of service (*i.e.*, metal or refining accounts and trading accounts). [To illustrate EGR's transactions with JM, the more detailed explanation found below refers to a representative or a sample transaction and its related documentation which is found under Tabs B to J.

13. Fundamentally, JM's refining process is premised upon the return of metals by JM to EGR (and JM's other clients). In this regard, paragraph 1 of the JM – Standard Terms and Conditions (the "T & C's") provides that "Returnable Metals" and "Recoverable Metals" mean "the metals to be returned to you [*i.e.*, JM's client] following completion of the Services in accordance with your Contract" (Tab B).
14. Factually, the refining process proceeds as follows: first, EGR ships unrefined gold bars to JM and provides a packing slip (Tab C) to JM that indicates the number of bars, their weight and estimate of the percentage of the bars' pure gold content based on EGR's own assay. The packing slip also sets out the date of shipment and contains a lot number specified by EGR to identify the shipment. On the packing slip, EGR requests that JM assay the metal for gold, silver, platinum and palladium. [In the case of our sample transaction, the attached packing slip shows that EGR sent JM Lot #1137 which consists of 10 bars with a net weight of 34.725 kg. and a gold assay of 59.5%.]
15. Second, JM inspects and weighs all of the materials received from EGR and provides EGR with a signed "Acknowledgment" (Tab D) which contains the

following information: (a) a description of the unrefined bars; (b) the bars' weight as measured by EGR and JM; (c) the Lot Number as provided by EGR; (d) the reference number assigned by JM which ensures that JM maintains strict control over the refining process and allows it to generate the necessary documentation relating to the particular bars and track them accordingly; (e) EGR's metal account number to which the pure gold content of the bars will be assigned; (f) method by which the bars were delivered (e.g., by courier) and, (g) the proposed final settlement date.⁶

16. In addition, the Acknowledgement provides that JM received "material for refining" and that "payable metal(s) will, unless otherwise instructed, be credited to your metal account on the final settlement date, or, if applicable, on the preliminary settlement date⁷, provided all assays are completed and, if required, accepted by both parties" (emphasis added). [In the attached Acknowledgement for our sample transaction, JM acknowledges receipt of the ten unrefined bars in EGR's Lot 1137. The Acknowledgement shows EGR's net weight amount of 34.7250 kg. and JM's net weight of the bars of 34.7370. The Acknowledgement also shows the Final Settlement date as June 30, 2011.]
17. Third, shortly after having received the bars from EGR, JM performs an assay and obtains a preliminary result regarding the precious metal content of

⁶ The term "final settlement date" is defined in paragraph 1 of the T & C's as follows: "'Final Settlement' and 'Final Settlement Date' and 'Metal Availability Date' means the future date of return to you of the Returnable Metals based on completion of the final assays."

⁷ The term "preliminary settlement" is defined in paragraph 1 of the T & C's to mean "the return to you of the major portion of the Returnable Metals using a preliminary assay with Final Settlement to occur on completion of final assays." The term "early settlement" is used interchangeably with "preliminary settlement" by the parties.

the unrefined bars. EGR and JM have an arrangement whereby based on the preliminary result, EGR has the option to request that JM credit its metal account a quantity of gold equivalent to 95% of the pure gold content in EGR's unrefined bars (see notation "Hedges and Early Settlement" on Tab E). This credit is an advance and is always made to EGR's metal or refining accounts.

18. Such advances are typical in the industry. They provide security and effective financing to EGR until the precious metal contents are finally determined.
19. The metal or refining account represents the quantity of pure gold (and other precious metals) owned by EGR that has been provided to JM for refining. The metal account shows EGR's precious metal holdings in troy ounces ("ozt"). It is also referred to as a consignment account as EGR's refined gold is stored at JM's facility either for future sale by EGR in refined gold form or for return to EGR in refined gold form. As confirmed by the notation "Your metal" on Tab E, EGR remains the owner of the gold in its metal refining account and no transfer of ownership or title to the gold from EGR to JM takes place until after settlement. Similarly, all risks of ownership (including the risk of loss/profit due to market fluctuations) of the gold in EGR's metal account remain with EGR. JM has metal accounts with all its clients. Until final settlement (as explained below), the status of the bars on a particular Acknowledgement is tracked by JM and additional information is provided to EGR. The metal accounts are akin to brokerage accounts in that they

show the client's precious metal holdings with JM (instead of securities, for example).

20. JM charges a fee to EGR for the advance. The fee is based on prevailing interest rates.⁸ Upon making the advance, JM will issue an "Invoice and Metal Credit" (Tab F) invoice to EGR indicating that it is making an advance and may provide a brief description regarding the advance. The "Invoice and Metal Credit" will also contain the following information: (a) the invoice type; (b) invoice number; (c) Invoice and Metal Credit (IMC) Code⁹; (d) JM's reference number; (e) the invoice date; (f) the date the bars were received; (g) the account number to which the bars were credited; (h) the lot number; (i) the "Priced Date"; and (j) a statement setting out the number of bars, description thereof, lot number, gross weight (including packaging), net weight of the bars and a statement to the effect that JM has settled metal on EGR's behalf and the amount settled. The invoice notes that the early settlement fee is due on the invoice date (*i.e.*, June 17). [In our sample transaction, the invoice (Tab F) shows that 631 ozt of refined gold was settled to EGR's refining account and the early settlement charge is \$1,017.00. The invoice states that it is making an "Early Settlement to cover the transfer to EGR's US dollar trading account (Account 2546). Accordingly, JM credited the refined gold to EGR's refining account and EGR then had the refined gold transferred to its US trading account. The 631 ozt was transferred along with 29 ozt of refined gold that was already in

⁸ The calculation for the Early Settlement Charge is as follows: 3% financing charge divided by 365 (366 in a Leap Year) multiplied by number of days of the advance multiplied by London PM Fix Gold Rate.

⁹ This is an internal JM code.

EGR's refining account for a total transfer of 660 ozt pursuant to reference number CAT 3296. The deduction of the 660 ozt transfer from the refining account to the US\$ trading account pursuant to reference number CAT 3296 is shown on a Metal Account Statement that is issued to EGR each month (Tab G).¹⁰

21. Fourth, JM's assay is completed and JM sends EGR a certificate of analysis showing the results (Tab H). This assay provides a final determination of the contents of the unrefined bars received by JM and will require adjusting the accounts between the parties further to the issuance of a final "Invoice and Metal Credit" (Tab E). The Certificate of Analysis shows the following information: (a) an indication that the analysis was required by EGR; (b) the date the analysis was printed; (c) a description of the product (*i.e.*, 10 Bars Scrap Au); (d) the Customer Reference number (*i.e.*, the Lot Number); (e) JM's reference number; (f) the net weight of the bars as received (in kg.); (g) the weight of the bars following their melt by JM (in kg.); (h) the assay in percentage terms of the gold, silver, platinum and palladium in the bars; (i) the Gold Content (in ozt); (j) EGR's estimate of the pure gold content of the bars (expressed as a percentage and in ozt); (k) the difference between JM's findings and EGR's estimate expressed in ozt; (l) the total gold credits in ozt credited to EGR's account; (m) the total silver credits expressed in ozt; (n) the total refining charges; (o) the settlement date; (p) the amount of gold advanced to EGR's refining account in ozt.; and, (q) the gold balance in ozt

¹⁰ The transfer from the refining account to the US\$ trading account is highlighted on the document.

(i.e., the amount of gold to be settled in EGR's refining account upon final settlement).

22. To complete the transaction, JM issues a final "Invoice and Metal Credit" invoice to EGR detailing the transfer of the pure gold content of EGR's bars to its metal or refining account as well as charges incurred for the services performed by JM (see Tab E). Specifically, the invoice shows the same information in (a) through (h) as the invoice described in paragraph 20. However, instead of the "Priced Date", the invoice shows the "Settlement Date" noted on the Acknowledgement. As with the invoice in paragraph 20, the invoice contains a statement setting out the number of bars, description thereof, lot number, gross weight (including packaging) and net weight of the bars. As this is the final settlement invoice, it contains a summary statement showing the total weight of the metal in kilograms producing silver and gold shown in grams, the treatment charge for the gold (\$27.50/kg) and refining charge for the silver (\$7.75/kg) and the total amounts payable therefor along with the \$110 assay charge.
23. The invoice also sets out the total amount of pure gold and pure silver credited to EGR's metal account in ozt along with the amount of the early settlement with a reference to the early settlement invoice.¹¹ The invoice also contains a summary showing the weight of the gold in EGR's metal account carried forward, the amount of gold in the particular lot previously

¹¹ In practice, the assay will generally reduce the amount of pure gold in EGR's metal account to account for loss in the refining process and error margin with the assay. On average, JM returns 99.6 per cent of the weight of the gold content of the unrefined gold bars received from EGR. This adjustment is made at the time of settlement.

advanced by JM to EGR, and, the amount of gold and silver added to EGR's account at settlement and the balance in each of the previous metal accounts. [For purposes of the sample transaction, the invoice (Tab E) shows that EGR's gold bars netted EGR 657.409 ozt of pure gold and 97.286 ozt of pure silver. However, since EGR received an early settlement (or advance) of 631 ozt of pure gold, it only received credit for an additional 26.409 of pure gold at settlement. The invoice shows EGR's refining account with a carry-forward negative balance of 2416.726 ozt and the 631 ozt early settlement and 26.409 final settlement amount applied to reduce the negative balance in EGR's metal account. The invoice also shows that EGR incurred \$955.27 in treatment charges, \$110 in assay charges and \$23.45 in refining charges, which are all payable to JM. It is important to note that this information is also contained on the certificate of analysis.]

24. As mentioned above, EGR has three options with respect to the pure gold held in its metal or refining accounts: (1) EGR may request that JM return the pure gold to it as bars or grain; (2) EGR may sell the pure gold to JM, which will re-sell and physically deliver pure gold bars to a bank or the COMEX; or (3) EGR may retain the pure gold in its metal accounts with JM or ask that pure gold be transferred to the account of a designated third party. The first two options require further explanation.
25. Where JM returns the pure gold to EGR, JM will reduce EGR's metal account by the weight of the pure gold so returned. Except where the gold is returned as 100 ozt and 400 ozt gold bars, JM will charge EGR a

manufacturing fee for making EGR's pure gold into bars or grain gold. The fee for bars is \$0.75 per ozt and the fee for grain is \$0.30 cent per ozt. We have attached an invoice from JM showing the return of 4 refined gold grain 1 kg. bags from EGR's refining account. The invoice shows the manufacturing charge as well as the deduction of 128.590 ozt¹² of grain gold from EGR's refining account (Tab I).

26. As noted in paragraph 12, in addition to refining services, JM provides precious metal trading services to EGR. The trading services are provided by a different department of JM. In this regard, EGR enters into futures or hedging contracts both buying and selling pure gold using JM's trading desk. The only sales by EGR to JM are made in the context of these trading transactions. For example, in the case of a future sales contract whereby EGR wishes to effect physical delivery of refined gold to the purchaser, EGR will ask JM to transfer refined gold from its metal account with the refining department to EGR's trading account. EGR would subsequently sell the refined gold in its trading account to JM, which in turn would sell the refined gold, typically in the form of gold bars to the purchaser, which would be a bank or someone purchasing precious metals on the COMEX.]
27. EGR does not sell unrefined gold or grain gold to JM. EGR only sells gold to JM from its trading account, that is, gold in 99.99% pure gold bar form. In these cases, JM will issue a bullion purchase invoice showing a credit to EGR's bank account for the amount of gold sold to it. The invoice shows the

¹² Based on a conversion rate of 1 kg = 32.1507 ozt, this amount is then multiplied by 0.9999 to obtain the amount of pure gold returned to EGR. .

weight of the pure gold sold in ozt, the price payable per troy ounce and the total amount paid by JM to EGR. For example, EGR sold 650 ozt of refined gold from its trading account to JM for CDN\$1,507/ozt and received a cheque from JM for \$979,545. The sale is reflected on the Bullion Purchase Invoice BP66288 (Tab J) and is a zero-rated sale.

The transactions with EGR's clients

28. The refining transactions between EGR and its clients have historically followed the conceptual pattern of EGR's refining transactions with JM. For example, EGR finance 90% of the value of the estimated gold content in the client's bars to its clients until the gold content was finally determined. The financing was in the form of an advance in cash or refined gold.¹³
29. In cases where the client chose to wait for the settlement from JM, it may have requested an accounting and asked EGR to deliver the shortfall or difference in gold (in addition to the 90% advance), subject to paying EGR a refining fee. In these cases, EGR only returned (or otherwise provided the client with) 98% of the value of the gold with 2% held back by EGR.¹⁴
30. With the advancements in technology, in particular the development of the x-ray analysis, EGR's clients have become more comfortable with the assay of the pure gold content of their bars instead of waiting up to days for the settlement. Accordingly, clients now accept the return of 98% of the estimated gold content of the bar determined using x-ray assay. When the

¹³ The refined gold has an investment quality of gold content at 99.99%. It takes the form of bars (of different weight) or casting grain or "grain gold". Grain gold is used in the industry for various purposes and comes in the form of sealed bags (in various sizes) and contains the same information/certification found on bars. We have attached photographs of Grain gold under Tab K.

¹⁴ The 2% held back is to account for loss in the refining process, error margin in the assay and gross profit.

transactions involve gold (pure gold bars or pure gold grain), EGR is effectively returning the client's pure gold. In these cases, EGR will complete the record document showing the weight of the pure gold and its value and provide the document along with the pure gold bars or grain. The document is called a Record and it shows the client's name and telephone number, date, indicates the weight and gold content percentage of the unrefined gold provided by the client, the weight in grams of the pure gold content of the client's gold and the weight in grams of refined gold returned to the client (Tab L). In this case the refined gold returned to the client was in the form of grain gold. Where the refined gold returned to the client is in bar form, EGR will record the bar number on the Record.

The March 14, 2011 Proposal

31. On March 14, 2011, the CRA issued its proposal to assess EGR for outstanding GST/HST. First, the CRA asserts that EGR was required to collect and remit GST/HST on its transactions with JM. In particular, the CRA has taken the view that EGR "sold scrap metal" to JM totalling \$209,536,163¹⁵ with the consequence that \$11,508,419 in GST/HST would be exigible from EGR.
32. Second, the CRA considers that EGR was engaged in barter transactions with its clients under which the clients exchanged unrefined gold for among other things pure gold grain. In particular, the CRA considers that each party to the transactions, namely EGR and the client, was required to collect and remit tax on their respective alleged supply. Under the proposal, EGR would

¹⁵ See note 1, above.

be required to collect and remit on the transactions involving grain gold GST/HST with the consequence that \$1,552,144 in GST/HST would be exigible.

33. The March 14 proposal contained two documents entitled respectively "ISSUE SHEET 1 – Supplies of Scrap Metal to Johnson Matthey Ltd." and "ISSUE SHEET 2 – Grain Gold Barter Transactions" which explain the position of the CRA in respect of each issue. The proposed adjustments are tabulated in greater detail on worksheets prepared by the CRA auditor.

Under ISSUE SHEET 1, the transactions with JM are described as follows:

- Upon receipt of the scrap metal bars, within 24 hours, JM advances 95% of the value of pure metal content of the said bars. In instances where by JM purchases the scrap metal outright, EGR is paid either by cheque or in physical gold (grain or gold bars). In some cases, a portion of the advance is credited to EGR's pool account with JM. The value of the pure metal placed in the pool account belongs to EGR and, at any time, EGR can request and receive bullion from the said pool.
- After 5 days, JM issues a Final Settlement Record stating the results of the final assaying of the scrap metal. On final determination of the pure metal content of the scrap metal, JM pays the (5%) balance of the pure gold contents of the scrap metal. The settlement options are the same as stated above.
- The foregoing finding with respect to what happens upon receipt of the scrap metal is corroborated by information obtained from JM's website which states that:

"Upon receipt, all material is inspected and weighed to ensure agreement with customers' advised details. Each receipt has an individual reference code and process route assigned to ensure strict control and generate all necessary documentation. Acknowledgement and settlement date is forwarded to the customer and representation, if required, is arranged. Customer Service personnel track the status of each receipt and provide additional information as required. Formal assay exchange and umpire resolution is available. This includes gold, silver as well as platinum and palladium if contained.

Settlement options include: return of physical metal as grain or bars, sale to Johnson Matthey, Metal Account Credit or Metal Account Transfer to a designated third party. Upon settlement, an invoice is generated detailing all metal transactions as well as charges incurred. Monthly statements are forwarded which detail all transactions during the period."

34. ISSUE SHEET 1 then continues and formulates Audit's position that "the sale of scrap metal does not constitute a supply of [a] financial service but rather a supply of property subject to tax at the standard rate". The document then adds:

- **It is Audit's position that title and therefore ownership of the scrap metal passed to JM upon delivery and payment of the advance. Therefore, Audit is of the view that, in instances whereby JM purchased the scrap metal outright, that is, JM paid for the scrap metal by way of wire or advanced physical gold, EGR made taxable supplies to JM in respect of which it should have collected and remitted tax under subsections 165(1) and 221(1) of the Act. Pursuant to paragraph 153(1)(b), the value of the consideration of the said supplies is the total of the money that was received and the fair market value of any physical gold that was received. Additionally, it is Audit's position that there are no tax consequences with respect to advances that were credited to EGR's pool account, as EGR retained ownership of the value of the gold in the pool and as such, no supplies took place in such cases.**

[Emphasis added]

35. The CRA tabulated the transactions it considered as "sales to JM" whether "paid by wire" or "Paid in gold" to be in excess of \$209M for the relevant period. This amount represents the totality of the transactions involving unrefined gold between EGR and JM (leaving aside the various services rendered by JM which were all billed for).
36. ISSUE SHEET 2 deals with the transactions between EGR and its clients which the CRA considered barter transactions but ineligible to the subsection 153(3) ETA treatment. In this regard, the CRA assumed that all the grain

gold received by EGR from JM (which represents \$27,303,520) was used by EGR in those alleged barter transactions with its customers. For the purposes of making its proposed adjustment, the CRA grossed-up the grain gold received from JM by 2% ($\$27,303,520 \times 1.02 = \$27,849,590.40$) to determine the amount it considered a taxable supply to arrive at proposed adjustment of \$1,552,143.79 ($\$27,849,590.40 \times \text{tax rate} = \$1,552,143.79$)¹⁶.

Previous involvements of the CRA

37. On November 8, 2006, the CRA issued a reassessment proposal to EGR for GST adjustments in excess of \$10M for the period ending May 31, 2005 (Tab M). This first proposal followed an audit by the CRA which was made after an Audit Risk Analysis that apparently began in 2003. The issue underlying the proposal was whether "grain gold" fell within the definition of the term "precious metal" under subsection 123(1) of the ETA.
38. In response to the proposed assessment, EGR filed a submission dated January 3, 2007 to the CRA (Tab N). The submission contains a detailed description of the transactions between EGR and JM. In particular, the submission explains EGR's *modus operandi*, the services provided by EGR and JM, the transactions, the advances made by JM, the invoices and the modes of settlement. Also, the submission explained the transactions between EGR and one of its suppliers during the period in question, Poscor Mills Services Corp. ("Poscor").

¹⁶ Given the manner in which the CRA calculated the adjustment, EGR will limit its representations in the document to the concept of grain gold and whether, as a concept, grain gold should attract tax or not. Accordingly, EGR reserves its right to address other issues if necessary.

39. In its response to EGR's January 3, 2007 submission, the CRA on June 29, 2007 reiterated its position regarding the GST status of grain gold but acknowledged that it was obligated to audit to net tax (Tab O). As the CRA explained in the context of Poscor:

"I also confirmed that the Agency policy that we audit to "Net Tax" – in other words, any applicable input tax credits (ITC) would be allowed when assessing GST. Specifically, as the sale of the refined gold in grain format would be taxable when sold by a vendor, that vendor would be responsible for collecting the GST on these sales. For Express Gold's specific situation, Poscor Mills would have to collect the GST on the grain sales made to Express Gold – Express Gold would then be entitled to the ITC".

40. Six months after issuing its June 29, 2007 letter, the Attorney General for Canada filed its Reply in the context of a tax appeal initiated by Poscor in the Tax Court of Canada (TCC # 2007-4996 (GST)G). The appeal relates to substantial reassessments issued against Poscor. Under the reassessments, Input Tax Credits ("ITCs") claimed by Poscor were disallowed on the basis that Poscor's transactions involved "assets flip transactions" under which Poscor allegedly benefited from the improper claims of ITCs by third parties involved with Poscor in the transactions.

41. Certain of the transactions in issue in Poscor's appeal involved EGR and can be summarized as follows based on the Crown's Reply:

- (a) Poscor "purchased" scrap gold (*i.e.*, less than 99% purity) from four different Quebec companies (including 9141-7220 Quebec Inc.) and claimed \$12,854,871 of input tax credits.
- (b) At some point in time, a company related to Poscor (Aumor) purchased scrap gold from another numbered Quebec company.
- (c) The Quebec companies did not remit GST in respect of the above transactions (although they appear to have issued invoices showing the GST as being payable).
- (d) Poscor (and Aumor) retained a third part to refine the gold to a 99.5% or higher purity. ScotiaMocatta was retained from May 2004 to September 2004. Express Gold was retained from October 2004 to April 2005.
- (e) ScotiaMocatta had the gold refined, on behalf of Poscor, by the Canadian Mint.

- (f) Express Gold had the gold refined, on behalf of Poscor, by Johnson Matthey.
 - (g) The refined gold was sold by Poscor to Scotiamocatta (prior to October 2004) and then to Express Gold (subsequent to September 2004). The sales were treated as zero-rated sales of pure gold.
 - (h) Each of ScotiaMocatta and Express Gold then sold the pure refined gold to the Quebec companies. The sales were treated as exempt supplies and the Quebec companies did not pay GST thereon.
 - (i) The Quebec companies would then dilute the pure gold with light weight elements of little value to reduce its purity level to approximately 90% (*i.e.*, to make it taxable Unrefined Gold).
 - (j) The taxable Unrefined Gold was then sold to Poscor and the above transactions repeated.
 - (k) Poscor realize a profit of 3% of the fair market value of the gold (less .5% for refining costs).
42. It is important to note that the CRA's assessment in the Poscor matter and the Crown's position in the Tax Court are predicated on the fact that JM refined the gold in question, that Poscor after refining the gold sold it to EGR and the sale by Poscor to EGR constituted a zero-rated sale of pure gold. There was no suggestion by the CRA that Poscor ever sold (taxable) unrefined gold to EGR (or ScotiaMocatta).
43. In fact, at no time prior to the March 14, 2011 letter, did the CRA dispute the characterization of the transactions between EGR and JM as well as the provision of services by JM to EGR. Further, the CRA never asserted that EGR was selling or making a taxable supply of unrefined gold to JM. The major adjustment proposed on November 8, 2006 involved sales of grain gold by EGR to 91417220 Quebec Inc. Eventually, the CRA issued reassessments for most of the periods between July 2005 and December 2007. The reassessments confirmed the information as filed by EGR and refunds were issued. In fact, the assertion in the March 14, 2011 proposal

was the first time that the CRA ever attempted to characterize the transactions between JM and EGR as "sales of scrap gold".

SUBMISSIONS

The Transactions between EGR and JM do not involve "sales of scrap gold"

44. Contrary to the CRA's assertion, it is incorrect to state that "title and ownership of the scrap metal passed to JM upon delivery and payment of the advance" (see paragraph 34 above). The intention and conduct of the parties, as confirmed by the relevant documentation, unequivocally indicate that there is no "passing of title and ownership between EGR and JM upon delivery and payment of the advance". EGR retains ownership of the pure gold content of the unrefined gold contained in its metal account. It is only when it sells gold through EGR's trading account that a sale takes place but at that point in time, the gold in question has reached the refined purity level and is sold to JM in the form of pure gold bars.
45. The advance of a quantity of gold in the interim is in the nature of a financing/security transaction (for which JM receives a financing fee) which does not attract tax. The advances take the form of a credit to EGR's metal account. The CRA is correct in stating that the gold in the metal accounts belongs to EGR. In fact, EGR at any time can request and receive bullion from the said account and use it in the way it wishes. However, the CRA conflates the delivery or consignment of unrefined gold and credit to the

metal accounts (or advance) into one transaction (*i.e.*, a "sale of scrap gold") which never took place.

46. It is also incorrect to assert that JM "pays the (5%) balance of the pure gold contents of the scrap metal" to EGR. Rather, as explained above, JM credits the balance of the pure gold content of EGR's unrefined metal to its metal account upon settlement, that is only after the exact gold content is determined and agreed to by the parties.
47. The settlement document (Invoice and Metal Credit – Tab E) clearly shows that the gold advance and credit upon settlement were credited to EGR's metal account. As noted by the CRA in Issue Sheet 1, "there are no tax consequences with respect to advances that were credited to EGR's pool account, as EGR retained ownership of the value of the gold in the pool and as such no supplies took place in such cases".¹⁷
48. Any sales by EGR to JM are from EGR's trading account pursuant to a separate transaction with JM's trading desk. Specifically, EGR would first transfer the pure gold from its metal account to its trading account. No physical gold is provided to EGR at this point. Rather, the gold is posted to EGR's trading account and JM will await EGR's further instructions regarding the refined pure gold. At this point, there is no sale of gold, EGR is simply transferring its refined gold from its metal account to its trading account.

¹⁷ However, in reality, the CRA misapplied the above quoted principle given the CRA's proposed adjustments. Again, it is important to reiterate that all transactions involving unrefined gold go through EGR's metal or refining account.

49. Where EGR sells gold to JM, the gold is in the form of pure gold bars. It comes from EGR's trading account after having been transferred from EGR's metal account. The metal account is effectively a consignment account in which EGR maintains an inventory of pure gold. Pursuant to its buy/sell consignment arrangement with JM, EGR will sell the pure gold bullion to JM who, in turn, will sell the bullion. In these circumstances, JM is buying gold, which has the required level of purity and is in the form of bars (and which is subsequently sold to banks or on the COMEX). Accordingly, when there is a sale of gold by EGR to JM, the supply is a zero-rated financial service as the supply is made by a person on whose behalf the precious metals were refined.
50. Where there is a return of physical gold in bar and grain gold form, JM takes the gold from EGR's metal account and the account is debited accordingly. In such circumstances, there is no transfer of ownership from JM to EGR as JM is simply returning gold already owned by EGR (although held on consignment by JM). Consequently, there is no taxable supply of gold by EGR but rather EGR is taking back its gold that had been refined by JM. EGR paid applicable GST/HST on the refining services.
51. In its March 14, 2011 proposal, the CRA states that its findings regarding the transactions between EGR and JM are "corroborated by information obtained from JM's website." However, it is important to clarify that the website in question is that of JM's US affiliate, which transacts business in a different manner than JM. In particular, unlike JM's affiliates' business in the US, JM

does not purchase scrap gold outright from its customers in Canada. As noted above, JM always credits any advances or settlements to its clients' metal accounts. If JM purchases gold from its clients, it is only in the form of pure gold bullion purchased from its clients' trading account.

52. To sum up, the CRA has been unable to advance any support, whether factual or legal, to its assertion that "EGR sold scrap gold to JM upon delivery and payment of the advance". Moreover, the assertion is squarely in conflict with the outcome of the earlier audit of EGR, the position taken by the Crown in the Poscor litigation as well as the CRA's own public pronouncement on this very issue.¹⁸ The refining arrangement between EGR and JM involves primarily the provision of services by JM to EGR. EGR does not "sell scrap gold" to JM.
53. It is important to note that even if EGR were "selling scrap gold" to JM (which is denied) and was required to charge and collect GST/HST thereon, it would have no practical revenue impact on the Fisc. Specifically, as JM would be acquiring the gold from EGR for the purpose of making zero-rated supplies to third parties, JM would have been entitled to recover the GST/HST payable to EGR by way of input tax credit. As a "wash transaction", the amount of any assessment would be limited to the 4% "interest". However, in the present circumstances, EGR would be entitled to claim relief from such interest under the CRA's fairness relief policy.¹⁹ Specifically, based the nature of its transactions with JM, the documentation

¹⁸ GST/HST Interpretation No. 78535 dated March 13, 2006 (Tab P).

¹⁹ Information Circular IC07-1, *Taxpayer Relief Provisions* (May 31, 2007), at paras 20-26.

generated by the parties, the accounting treatment by EGR and CRA's extensive and prolonged review of EGR transactions and public pronouncements on point and EGR's consequential reliance thereon, EGR has had no reason to believe it would not have accounted for GST/HST properly. Attempting to exact 4% "interest" from EGR in those circumstances makes the March 14, 2011 proposal not only incorrect but also improper.²⁰

The transactions between EGR and its clients

Grain Gold is a Precious Metal for GST/HST Purposes

54. The term "precious metal" is defined in subsection 123(1) of the ETA as follows:

"precious metal" means a bar, ingot, coin or wafer that is composed of gold, silver or platinum and that is refined to a purity level of at least

(a) 99.5% in the case of gold and platinum, and

(b) 99.9% in the case of silver.

55. The term "ingot" is defined in the Merriam-Webster Dictionary as follows:

1. : a mold in which metal is cast

2 : a mass of metal cast into a convenient shape for storage or transportation to be later processed.

[Underline added]

56. Accordingly, grain gold can be said to constitute ingots as it is a mass of metal cast into a convenient shape for storage or transportation to be later processed. The definition of the word does not require or even suggest a

²⁰ It has been suggested recently that the CRA's earlier reassessment proposal was never given effect due to some personnel issues within CRA which caused the reassessment proposal to lapse because of time. This is certainly interesting. First, the CRA's letter dated June 29, 2007 (Tab O) confirms that the CRA would audit to net tax (which effectively reduced the adjustment to Nil). Second, the principal adjustment proposed by the CRA in the March 14, 2011 (*i.e.*, sales to JM) has nothing to do with the CRA's earlier audit. Third, the above explanation concerning certain personnel issues was only mentioned to EGR a few weeks ago and EGR has had no opportunity to know and verify this assertion.

precise shape (or size) for the mass of metal to constitute an ingot. In other words, the definition is not static or fixed and given that grain gold is commonly used in the industry, the definition should apply to it.

57. The expression "precious metal" has received some judicial consideration by the Tax Court of Canada in *Bombay Jewellers Ltd. v. Canada*.²¹ At the outset, it should be emphasized that the circumstances in the *Bombay Jewellers* case materially differ from those in the case at hand. Specifically, the appellant in *Bombay Jewellers* was a jeweller who cut bars of precious metal into smaller pieces and sold same to its customers without charging GST on the basis that it was making a supply of exempt precious metal. The customer would then give the gold to the appellant to make into jewellery and the appellant would only charge GST on its labour services. Therefore, in the case of *Bombay Jewellers*, there was a clear attempt by the appellant to avoid the application of GST arguably contrary to the spirit and intent of the ETA and to the detriment of the Fisc. In the case at hand, there is no negative impact on the Fisc and no intent by the parties to circumvent the object and spirit of the ETA.

58. In any event, the Court emphasized (at paragraph 75) that the terms "bar, ingot and wafer" as used in the definition of "precious metal" in subsection 123(1) ETA was to apply to precious metals that are "readily identifiable, saleable, capable of immediate recognition, valuation and which was

²¹ [1998] G.S.T.C. 94 (TCC Gen).

commonly used as a financial instrument in the precious metals market". Grain gold meets that purpose.

59. Specifically, the grain gold is identified as being produced by JM, a world-accepted refiner and assayer, with the bag showing the purity (99.99%) and weight. It is tradeable and has a readily identifiable value. The value is the current market price for gold times the weight noted on the sealed bag. The grain gold is readily saleable and commonly used in the industry as a financial instrument in the market just as bars. For example, we understand that the Bank of Nova Scotia, one of Canada's leading financial institutions has sold sealed bags of grain gold as financial instruments.
60. It is now established that tax legislation, including the ETA, is to be interpreted harmoniously in light of its text, context and purpose.²² Also, to effectively interpret an "ingot" to necessarily mean a "bar" renders the word "bar" in the definition redundant. Redundancy is to be proscribed when interpreting tax legislation.²³ In the case of grain gold, when these interpretation principles are applied to the definition of "precious metal", it becomes clear that the inclusion of grain gold into the definition of precious metal becomes the better interpretation and the one to be applied in this case.
61. Accordingly, EGR submits that grain gold is captured by the definitions of "precious metal" and "financial instrument" for GST/HST purposes.

²² *Canada Trustco Mortgage Co. v. Canada*, [2005] 2 S.C.R. 601 (S.C.C.); *Placer Dome Canada Ltd. v. Ontario (Minister of Finance)*, 2006 SCC 20 (CanLII), [2006] 1 S.C.R. 715, 2006 SCC 20, at para. 21; E.A. Driedger, *Construction of Statutes* (2nd ed. 1983), at p. 87). See also: *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 SCR 27.

²³ *Placer Dome (supra)*, at para. 45.

In any event, subsection 153(3) ETA would apply to the transactions between EGR and its clients

62. It is the CRA's view that EGR and its customers engage in barter transactions whereby EGR is making taxable supplies of grain gold to its customers and its customers are making taxable supplies of scrap metal to EGR. As a result, pursuant to subsection 153(1)(b) of the ETA, EGR would be required to collect GST/HST on its supplies of grain gold and its customers would also be required to collect GST/HST on their supply of scrap metal unless the transactions qualified for relief under subsection 153(3) of the ETA.
63. Subsection 153(3) of the ETA reads as follows:

Where

- (a) the consideration or a part of the consideration for a supply of property of a particular class or kind is property of that class or kind,
 - (b) both the supplier and the recipient are registrants, and
 - (c) the property is acquired by the recipient and the consideration or that part thereof is acquired by the supplier as inventory for use exclusively in commercial activities of the recipient or supplier, as the case may be,
- the value of the consideration or that part thereof shall be deemed to be nil.

64. It is the CRA's view that subsection 153(3) of the ETA does not apply to the transactions between EGR and its clients. Specifically, based on GST/HST Policy Statement P-221, *Meaning of the Phrase "a Particular Class or Kind" as Found in Subsection 153(3) of the Act* ("P-221") it is the CRA's position that the property being exchanged (*i.e.*, grain gold) was not of the "same class or kind" as the other property exchanged (*i.e.*, unrefined gold).

65. Where EGR's client delivers unrefined gold and EGR returns grain gold to its client, subsection 153(3) of the ETA should apply to relieve the transaction from GST/HST.²⁴
66. In this case, the parties consider the transaction to involve the transfer of gold for gold; gold being a fungible good. The value paid by EGR is strictly for the gold content of the client's bars as determined by the assay. Similarly, the client is receiving the pure gold content of the grain gold from EGR. EGR is not obtaining "bars" from its client but is rather obtaining pure gold and the transaction price between the parties is determined by the amount of pure gold acquired by EGR. As indicated on the Record (Tab L), the client is providing EGR with a specified weight of pure gold and EGR is returning pure gold to the client less the 2% hold back.
67. As noted in the CRA's Issue Sheet 2, GST/HST Policy Statement P-221 ("P-221") states that the CRA will consider two properties to be properties of a particular class or kind if they meet all of the following criteria:
- they are similar in their constituent materials and general appearance;
 - they have the same primary end-use;
 - they have been subject to a similar level of processing or refining where applicable, and
 - they are capable of performing the same primary functions.

²⁴ Even in instances where EGR's client is not a GST/HST registrant, the GST/HST collectible by EGR should be reduced by the value of the unrefined gold "traded-in" by the client pursuant to subsection 153(4) of the ETA.

68. P-221 contains a number of sample rulings. For example, it was explained that subsection 153(3) would not apply to an exchange of wood chips of logs because although they are both made of wood fibre, they have different end-uses. However, P-221 also describes a situation in which one registrant agrees to trade 9,000 litres of high octane gasoline for 10,000 litres of low-octane gasoline, both of which have the same market value. The sample ruling concludes that the properties will constitute properties of the same class since they are both made up of similar chemical constituents, have the same primary end-use and have been subject to similar levels of chemical processing. By analogy, EGR receives a supply (*i.e.*, the pure gold content of unrefined gold) in exchange for property of the same class (*i.e.*, the pure gold of refined grain gold). In this regard, the items provided to EGR and returned to the clients are made of the same constituent chemical element (gold). Moreover, pure gold is fungible. The fact that the unrefined gold contained impurities is irrelevant as the impurities did not detract from the value of the gold provided by the client to EGR. In the minds of the parties (*i.e.*, EGR and its clients) the exchange was simply gold-for gold and the statutory test (under paragraph 153(3)(a) ETA) is met.²⁵

Practical Considerations

69. It is important to note that EGR is only a single participant in the gold refining industry and that its GST/HST obligations are impacted by the actions of the parties that it is transacting with. Specifically, to the extent, it

²⁵ To the extent that Policy Statement P-221 restricts the ambit of the statutory provision, CRA cannot legally rely on it.

is acquiring unrefined gold from its clients, it would be entitled to claim input tax credits to recover the GST/HST payable thereon. In this regard, the CRA confirmed in its letter to EGR dated June 29, 2007 that it audits to net tax such that any applicable input tax credits would be allowed when assessing GST.

70. With respect to its transactions with its clients, given the fact that in many cases EGR will provide pure gold bars or cash when the client delivers unrefined gold to its premises, EGR would actually be in a refund position as, based on the CRA's position with respect to these transactions, the consideration payable for its purchases of unrefined gold would exceed the consideration received for its alleged sale of grain gold under the CRA's theory of barter transaction.
71. Given the integration between the various participants and the fact that there is no revenue loss to the Fisc. arising from EGR's transactions as EGR would be able to claim input tax credits to the extent it is charged GST/HST and its GST/HST registered clients should be able to claim input tax credits to recover GST/HST charged to them by EGR, it is not fair nor proper for the CRA to audit and assess only EGR without considering the other industry participants.²⁶
72. More importantly, as this submission demonstrates, the adjustments raise fundamental questions of legal interpretation and tax policy that affect the industry as a whole. Accordingly, proposing an assessment before these

²⁶ As noted earlier, to the extent EGR's clients are unregistered, the GST/HST collectible would be reduced by the value of the unrefined gold "traded-in" by EGR's client.

legal and policy questions are answered is really "putting the cart before the horse" in addition to putting EGR in a competitive disadvantage.

Accordingly, EGR requests that the present matter be sent out to CRA's Headquarters for a thorough review at the industry-level in the event that the Audit function of the CRA intends to maintain any part of the proposed adjustments.

CONCLUSION

In this submission, EGR has demonstrated that the CRA's adjustments proposal is wrong. In particular, there is no basis (factual or legal) for the CRA's assertion that EGR "sold scrap gold" to JM; the CRA having conflated the transactions between the parties and, as a result, mischaracterized them.

Also, EGR's transactions should not create the tax consequences proposed by the CRA when the applicable provisions (namely, the definition of precious metal and the subsection 153(3) rule) are interpreted properly or as a practical matter, if the CRA were to audit to net tax.

At the end of the day, one can seriously question what the CRA is really attempting to do to EGR. In particular, attempting to exact transaction costs of 13% on EGR's business while its gross profit is less than 2% defies any logic and common sense. While there could be some technical questions surrounding industry practices in the gold industry, these ought to be examined across the industry, and from a legal and policy standpoint first and foremost.

This is **Exhibit "J"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R



Canada Revenue
Agency

Agence du revenu
du Canada

January 26, 2012

Jacques Bernier
Principal
Baker & McKenzie LLP
Brookfield Place, Suite 2100
181 Bay Street, P.O. Box 874
Toronto, Ontario, Canada M5J 2T3

Toronto Centre Tax Services Office
Audit Division
1 Front Street West, 4th Floor
Toronto, Ontario
M5J 2X6

Dear Mr. Bernier:

Further to our meeting and our correspondence, attached are copies of two fact sheets for the issues under audit. The first relates to "Supplies of Scrap Metal to Johnson Matthey Ltd." and the second relates to "Grain Gold Barter Transactions".

They outline the facts we are relying on to obtain advice from CRA, Headquarters.

Please review and advise of any errors or omissions.

Thank you for your assistance.

Sincerely,

P. Northey, B. Comm., CMA
Assistant Director, Audit
Toronto Centre Tax Services Office

Canada

JAN. 26. 2012 5:17PM

This is **Exhibit "K"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R

Baker & McKenzie LLP
 Barristers & Solicitors
 Brookfield Place
 Bay/Wellington Tower
 181 Bay Street, Suite 2100
 Toronto, Ontario M5J 2T3
 Canada

Tel: +1 416 863 1221
 Fax: +1 416 863 6275
www.bakermckenzie.com

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 Toronto
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* Associated Firm

March 29, 2012

BY COURIER

Ms. Lise Potvin
 Director
 Sales Tax Division
 Department of Finance
 L'Esplanade Laurier
 140 O'Connor Street
 Ottawa, ON K1A 0G5

Reply to:
 Jacques Bernier
 (416) 865-6903
Jacques.Bernier@bakermckenzie.com

Dear Ms. Potvin,

Re: HST Implications in the Gold Industry

I am writing to you in the context of the review of the gold or precious metal industry that your Department is presently conducting in concert with the Canada Revenue Agency ("CRA").

As you may already be aware, since 2004 Express Gold Refining Ltd. ("EGR") has been the subject of continuing audit activities by the CRA. The audit by the CRA has raised serious issues regarding the interpretation and fair administration of the GST/HST legislation. In addition, the CRA's positions developed to date, if maintained, will have the obvious but unfortunate consequence of increasing the risk of further tax evasion in an industry where fraudulent practices have already been identified (and prosecuted).

Over the years, EGR has always distanced itself from illegal practices and, in fact, cooperated with the tax authorities. In an effort to assist you with your review and ensure you have a complete understanding of the industry practices, EGR offers you all the assistance you need or may require. In particular, we thought it would be useful to share with you the key documents we have exchanged with the CRA. For that purpose, please find enclosed copies of:

- a) Reassessment Proposal Letter from the CRA to EGR dated March 14, 2011;
- b) Submission to the CRA (and covering letter) dated July 15, 2011;
- c) Executive Summary (and covering letter) dated November 9, 2011;
- d) Letter from the CRA dated November 15, 2011;

- e) Letter to the CRA dated November 21, 2011;
- f) Letter from the CRA dated January 26, 2012; and
- g) Letter to the CRA dated February 3, 2012, (and attachments).

We are at your disposal to meet with you and provide you with any information you may require. We will contact you shortly in this regard.

Yours very truly,

BAKER & MCKENZIE LLP



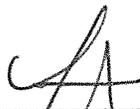
Jacques Bernier
JB/jl
Encls.

cc: Mr. Rainer Nowak
Senior Chief, Sales Tax Division
Tax Policy Branch
Department of Finance Canada

Mr. Atef Salama
General Manager
Express Gold Refining Ltd.

Mr. Danny Cisterna
Partner, Indirect Tax
Deloitte & Touche LLP

This is Exhibit "L" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

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Toronto
Valencia
Washington, DC

BY HAND

November 9, 2011

Ms. Patricia Southey
Assistant Director – Audit
Canada Revenue Agency
Toronto Centre Tax Services Office
1 Front Street West
Toronto ON M5J 2X6

Dear Ms. Southey:

RE: Express Gold Refining Limited, BN # 13855 7095 RT0001

I understand from Jim McNamara that you are now responsible for this matter and that you are being briefed by your staff in that regard.

The time has come for involving senior CRA management in this matter. Accordingly, we request a meeting with you (with your staff present of course) to discuss the March 14 assessment proposal and its wide reaching implications. As noted in our submission (a copy of which is enclosed), the assessment proposal raises serious issues, including the fair administration of the *Excise Tax Act*. It is imperative that these issues be addressed.

To facilitate your preparation for the meeting, we have attached an executive summary of the submission. I will contact your office in the near future to make arrangements for a meeting. In the meantime if there are questions or concerns, please contact me.

CANADA REVENUE AGENCY
AGENCE DU REVENU DU CANADA

NOV 09 2011

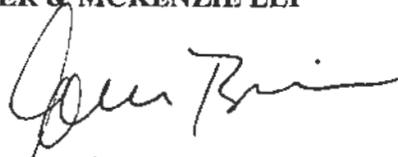
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Yours very truly,

BAKER & MCKENZIE LLP



Jacques Bernier

JB/jl

Encl.

c: Atef Salama
Express Gold Refining Ltd.

Danny Cisterna / J.J. Lefebvre
Deloitte & Touche LLP

Randy Schwartz
Baker & McKenzie LLP

Jim McNamara
Barbara Sansome
Joe Tucci
Robert Balinda
Canada Revenue Agency

**SUBMISSION TO THE CANADA REVENUE AGENCY ("CRA") REGARDING
ITS PROPOSAL DATED MARCH 14, 2011 FOR ADJUSTMENTS TO THE
GST/HST ACCOUNT OF EXPRESS GOLD REFINING LTD. ("EGR")**

EXECUTIVE SUMMARY*

1. EGR is a family-owned company that is engaged in the business of refining precious metals, principally gold¹. Generally, the clients bring to EGR's premises their gold articles such as jewellery and dental gold grindings to have them refined so that their pure gold content can be recovered. For that purpose EGR first melts the articles into a homogeneous bar and then assays the bar to determine its pure gold content. The next step in the process is the actual function of extracting the precious metal and transforming it into grain gold or gold bars. Historically, EGR performed this function in house. However, EGR now engages the refining division of Johnson Matthey Limited ("JM") to perform that function. JM is an arm's length party and one of the largest precious metal refiners in Canada. (EGR also obtains precious metal trading services from JM's trading division.)
2. On March 14, 2011, CRA proposed to assess EGR as follows for the reporting periods from June 1, 2008 to August 31, 2010:
 1. Uncollected GST/HST of \$11,508,419 on what the CRA alleges are "sales of scrap metal" by EGR to JM; and,
 2. Uncollected GST/HST of \$1,552,144 on what the CRA alleges are taxable sales of grain gold by EGR to its clients (*i.e.*, jewellers, wholesalers and manufacturers) as part of a barter transaction between the parties.

*This is an executive summary of the submission dated July 15, 2011 made by EGR further to the CRA's adjustment proposal dated March 14, 2011. For a more comprehensive analysis of the matter, reference is to be made to the July 15, 2011 submission.

¹ For greater certainty, references to gold in this summary contemplate other precious metals. In addition to its refining activities, EGR buys and sells precious metals through precious metal future contracts and hedging transactions.

The subject transactions with JM are not "sales of scrap metal"

3. The premise for the CRA's proposal to assess the transactions involving JM is that title and ownership of "scrap metal" passed from EGR to JM "upon delivery and payment of the advance". However, there is no basis for this position. In fact, it contradicts the intention and conduct of the parties as evidenced by the documentation generated by the parties and EGR's own accounting and income tax treatment of the transactions.² That is, EGR retains ownership of the pure gold content of the unrefined gold throughout the refining process. The only sales of gold by EGR to JM take place after the gold has been refined. In these cases, the gold sold by EGR is in the form of pure gold bullion, and is thus not subject to tax.³
4. The arrangement between JM and EGR is in the nature of a consignment. EGR owns the pure gold content of the unrefined gold shipped to JM until EGR either transfers the refined gold from its metal account to its trading account for future sale or requests that JM return its refined gold in physical form. EGR's gold holdings are recorded in its metal account maintained by JM. Where EGR requests the return of its gold, it receives the gold as pure grain gold or pure gold bars and the quantity of gold in its metal account is reduced accordingly. When EGR wishes to sell gold from its metal account, it transfers the gold from its refining account to its trading account and sells the pure gold bullion to JM who, in turn, sells the pure gold bullion to banks or on a commodities exchange. The sale of the pure refined gold by EGR to JM is a supply of a zero-rated financial service as the supply is made by a person on whose behalf the precious metals were refined.
5. The earlier advance of gold by JM to EGR is a financing/security transaction for which in fact JM receives a financing fee for making the advance. The advance is based on an estimate of the pure gold content of the unrefined gold delivered by EGR to JM for refining and is credited to EGR's metal account. The advance effectively gives EGR financing of approximately 95% of its gold holdings while the gold is

² EGR understands that JM's accounting and income tax treatment of the transactions is consistent with its own.

³ Such sales are zero-rated pursuant to section 3 of Part IX in schedule VI of the *Excise Tax Act* (Canada) (the "ETA").

being refined at JM's premises. By asserting that tax is payable on the advance, the CRA has mistakenly conflated the delivery or consignment of refined gold by EGR and the accompanying credit (or advance) to EGR's metal account by JM into one transaction (*i.e.*, a sale of scrap gold) that never took place. The CRA cannot recast the transactions entered into by parties dealing at arm's length, which transactions are evidenced by the contemporaneous documentation, the books and records as well as the income tax filings of the parties.

6. The refining arrangement between JM and EGR involves the provision of services by JM to EGR. EGR does not sell "scrap gold". However, once its gold is refined, EGR may sell the refined gold to JM.
7. It is important to note that even if the CRA were correct in its position (which is denied), the transactions would have no impact on the Fisc since JM would be able to recover any GST/HST payable to EGR by way of input tax credit ("ITC"). Therefore, the CRA's position is effectively a punitive measure on a party that has no reason to believe that it was not accounting for GST/HST in compliance with the ETA. EGR has always complied with the ETA and *Income Tax Act* and takes its tax responsibilities and obligations very seriously. In fact, EGR has always been cooperative with the CRA and in the past has assisted the CRA in enforcing the provisions of the ETA against third parties. The potential end result in the CRA's position is to exact a 4% "interest"⁴ from EGR in these circumstances, which makes the March 14, 2011 proposal not only incorrect but improper.

The transactions with EGR's clients do not attract tax

8. While the transactions between EGR and its clients are conceptually similar to those between EGR and JM, it is the CRA's view that EGR and its customers engage in barter transactions whereby EGR is making taxable supplies of grain gold to its customers and its customers are making taxable supplies of "scrap metal" to EGR.

⁴ Pursuant to the CRA's policy on "wash" transactions, see GST/HST Memoranda Series, Chapter 16, Section 16.31 *Reduction of Penalty and Interest in Wash Transactions Situations*.

9. However, to the extent the CRA considers EGR to be making sales of "grain gold" to its customers, such supplies should be treated as supplies of "precious metal". In this regard, the grain gold is (i) identified as being produced by JM, a globally-recognized refiner and assayer; (ii) contained in a bag showing the purity (99.9%) and weight; (iii) tradeable and has a readily identifiable value; and, (iv) commonly used in the industry as a financial instrument in the same manner as bars. That is, based on the definitions of "precious metal" and "financial service" in the ETA when these terms are properly interpreted in light of their text, context and purpose, GST/HST should not be exigible on the supply of grain gold by EGR.
10. Alternatively, GST/HST should not apply to the transactions by virtue of subsection 153(3) of the ETA as the transactions between the parties involve the exchange of properties of a particular class or kind (*i.e.*, pure gold, which is a fungible good). Specifically, EGR is acquiring pure gold (*i.e.*, the pure gold content of unrefined gold) in exchange for pure gold (the pure gold content of refined grain gold) and the transaction price is determined by the amount of pure gold acquired by EGR.

The implications of the CRA's proposal are too far-reaching thereby making it improper

11. The proposed assessment of EGR is for GST/HST in excess of \$14 million for a 27-month period. EGR earns approximately \$1.5 million per year in revenue for all its operations which include the refining business.⁵ Although the volumes (and corresponding value) of gold in question are high, EGR's gross revenue from its refining business is low relative to these volumes, that is less than 2% of the value of the gold being refined.⁶ Accordingly, any assessment proposal seeking to assess a 13% tax (or 5% for the earlier period) on transactions for which EGR earned less than 2% is (in addition to being contrary to the law and facts) illogical, patently unreasonable and fundamentally punitive.

⁵ This revenue also comes from EGR's trading activities of pure gold, which is zero-rated for GST/HST purposes and not the object of the CRA's proposed assessment. The margins earned from those trading activities are approximately 0.1%.

⁶ The 2% is to account for loss in the refining process, error margin in the assay and gross profit.

12. Fundamentally, GST/HST is not a tax on transactions, capital (or inventory) or on income but a tax on the "value added". It is supposed to be administered with an even hand and seamlessly so that the supply chain can function. If the CRA has issues with the gold industry, it should not single out EGR but look at the industry as a whole taking into account its current and historical practices. Otherwise, it puts EGR at a competitive disadvantage thereby making the CRA's actions in this case an improper exercise of authority.
13. More importantly, the ETA contains numerous rules that are tailor-made for specific industries. If for any reason there is a perception that the general rules should not apply to the gold industry, then specific rules should be put in place legislatively and not by isolated administrative actions. Fundamental fairness also dictates that any such rules apply prospectively and not retroactively.
14. The above is also in line with established principles requiring certainty and predictability in tax matters. In the present case, the CRA's actions have gone in opposite directions with overt inconsistency. Notably, the CRA has already performed a thorough review of EGR which began in 2003 and resulted in a major assessment proposal in 2006. However, following submissions by EGR, no adjustments were made. Further, through the Attorney General of Canada, the CRA took a diametrically opposed view to its current assessment proposal in litigation in the Tax Court of Canada involving a former client of EGR. Such inconsistency underscores the need for an industry review at a high level.
15. But there is more. Coupled with the current assessment proposal, the CRA's other actions have been particularly perverse vis-à-vis EGR. In particular, the CRA continues to withhold EGR's ITC refunds properly claimed on its payments of GST/HST to its clients and suppliers. Not only are these actions contrary to the CRA's obligations and taken for no proper reason, they are causing severe financial hardship on EGR's business and impacted the health of its owner. This relentless pursuit of EGR that began in 2003 cannot continue.

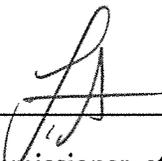
16. Ironically, the CRA's proposal increases the risk of tax leakage and tax fraud. In fact, given the CRA's recent experience with fraud in the gold industry, which primarily involved suppliers who collected but failed to remit GST/HST, it is to the CRA's benefit that subsection 153(3) of the ETA apply to the transactions between EGR and its clients. That is, the CRA's proposal contemplates the collection of GST/HST by large numbers of businesses, which complicates the administrative process for the CRA and increases the risk of tax leakage. As each of the parties would be able to recover the GST/HST payable by way of ITC, there is no financial benefit to the CRA in not applying subsection 153(3) to these transactions.

Conclusions

17. Serious issues about CRA's proposal were raised in the July 15 submission. They go beyond a challenge at the mere technical level and concern the interpretation of tax legislation, tax policy and the proper administration of the ETA. They affect not only EGR but the industry as a whole. At the end of the day, even if the CRA's position regarding EGR's client transactions were to prevail, EGR would be in a refund position as it would not be required to charge GST/HST when it returns money or gold bars to its clients in exchange for "scrap gold" but would pay GST/HST to its clients for the "scrap gold". In the circumstances, one may reasonably ask what the CRA is setting out to accomplish through its proposed assessment and withholding of EGR's ITC refunds.

18. Accordingly, EGR requests that you vacate the proposed assessment. If you are not prepared to vacate the proposed assessment, EGR requests that the present matter be sent to the CRA's Headquarters for a thorough review at the industry level before any assessment is issued in order to resolve these issues in a manner that recognizes and serves the interests of all of the stakeholders. In the meantime, EGR demands that all of its ITC refunds that are currently being withheld be released immediately and that further refund claims be processed in the normal course.

This is Exhibit "M" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R



MEMORANDUM

NOTE DE SERVICE

DATE January 29, 2013

TO
A Robert Balinda
Auditor
Toronto Centre
Compliance Programs Branch
1 Front Street West
Toronto, ON M5J 2X6

FROM
DE William Parker
Financial Institutions and Real Property
Division
Place de Ville, Tower A, 14th Floor
320 Queen Street
Ottawa ON K1A 0L5

FILE 139687
DOSSIER

SUBJECT: Express Gold Refining Inc.—BN 138557095 RT0001
OBJET:

Thank you for your memorandum of October 25, 2011 addressed to Mark Trenton of the Toronto Centre GST/HST Rulings Centre wherein you are requesting our views on the tax status of certain transactions with respect to gold refining services and supplies of gold.

All legislative references are to the *Excise Tax Act* (ETA) unless otherwise specified.

DOCUMENTS RECEIVED

You have provided the following documentation with your request:

1. Canada Revenue Agency's (CRA) Proposal Letter dated March 14, 2011 (Appendices 1.1 through 1.3) and Issue Sheets (Appendices 1.4 through 1.10)
2. Excerpt of *Johnson Matthey Limited – Standard Terms and Conditions* (Appendix 2.36) (herein referred to as "Standard Terms and Conditions")
3. Submission from Express Gold Refining Inc. (EGR) re: your Proposal Letter (Appendices 2.1 through 2.64)
4. CRA Draft Final Letter dated August 5, 2011 re EGR's Submission (Appendices 3.1 through 3.6)

**THIS INFORMATION IS FOR INTERNAL USE ONLY/
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In addition, we have reviewed the Submission from Baker & McKenzie of April 2, 2012, including its enclosed copies of the following documents:

- CRA's Proposal Letter dated March 14, 2011
- Submission from Baker & McKenzie dated July 15, 2011 re CRA's Proposal Letter
- Executive Summary from Baker & McKenzie dated November 9, 2011 re CRA's Proposal Letter
- CRA letter from Audit dated November 15, 2011 in reply to July 15, 2011 submission from Baker & McKenzie
- Letter from Baker & McKenzie dated November 21, 2011
- CRA letter from AD Audit dated January 26, 2012 re audit issues
- Reply from Baker & McKenzie dated February 3, 2012 re CRA letter from AD Audit

On July 30, 2012, Vance Smith and Wayne Mousseau of the GST/HST Directorate, Compliance Programs Branch; Ivan Bastasic, Dawn Weisberg and William Parker of the Financial Institutions and Real Property Division, Excise and GST/HST Rulings Directorate, Legislative Policy and Regulatory Affairs Branch met with the Atef Salama, General Manager of EGR, EGR's legal representative Randy Schwartz from Baker & McKenzie LLP and EGR's accounting representative Danny Cisterna from Deloitte & Touche LLP, as well as representatives of Johnson Matthey Limited (JM), Dave McGregor and Greg DeLazzari. The information provided at that meeting has also been considered.

Further, on November 16, 2012, a Discussion Notes document was received from Danny Cisterna of Deloitte & Touche LLP and its contents has been considered.

FACTS/BACKGROUND INFORMATION

1. EGR is a Canadian corporation registered for GST/HST purposes under the above BN and is engaged in the business of refining unrefined metal received from its clients, principally gold, as well as buying and selling precious metal mostly through precious metal future contracts and hedging transactions.
2. When EGR receives metal for refining from its clients it is usually in the form of jewellery, dental gold grindings and gold dust particles.
3. During our meeting, it was stated that EGR may purchase a mix of gold jewellery from its clients before any refining service—i.e. the client will sell the material containing gold to EGR for a negotiated price. For example, if the gold content is known (e.g. as 10, 14, 18, 21, 22 carat gold) then the gold may be purchased by EGR as is, usually bagged. EGR pays GST/HST on these latter items.
4. For metal not purchased by EGR from its clients, EGR undertakes melting, assaying, and refining/separation of the client's gold from the other metals in the course of the refining process. Melting is the first step and it involves amalgamating all of the metal brought in by a

client into a homogeneous bar (often referred to as an "ingot"). At this point the client may receive the ingot and pay for the melting services provided by EGR. Otherwise, since EGR has not purchased the metal from the jewellers / collectors (i.e. the clients), the client gets a receipt from EGR with the client's name and the weight of the bar and the next step in the refining process is undertaken.

5. The next step is the assaying of the metal that determines the metal content of the ingot. The assaying may be by fire, x-ray, wet acid, spectrum analysis, or acid/stone testing. Each method varies in the degree of accuracy; the fire assay method has been used as the industry standard and is the most accurate. However, the fire assay method is time consuming and generally has been replaced by the x-ray analysis method. The x-ray analysis method provides accurate results with an error margin of +/- 0.20% and can be completed in 60 seconds. A client who chooses the x-ray analysis method from EGR will receive a written report showing the breakdown of all the metals (e.g. gold, copper, zinc, etc.) in the client's ingot. At this point the client can take its ingot and have it refined elsewhere; if so, EGR invoices the client for melting and assay services.
6. After assaying, the next step is the refining step when the gold is separated from the other metals. EGR has engaged JM to provide the refining services on EGR's behalf. This step takes several days to complete and the ingots are specifically tracked.
7. To facilitate the refining by JM, EGR ships the ingots (of various clients) made by EGR to JM with a packing slip indicating the number of bars, weight and estimate of the percentage of the bars' gold content based on EGR's assays. The packing slip indicates the date and a lot number identifying the shipment.
8. Upon receipt of the shipment by JM, JM inspects and weighs all of the material received from EGR and provides an "Acknowledgement" containing the following:
 - a) A description of the bars received;
 - b) The bars' weight as measured by EGR and JM;
 - c) The Lot Number assigned to the shipment by EGR;
 - d) The reference number assigned by JM which ensures that JM maintains strict control over the refining process and allows JM to generate the necessary documentation relating to the particular bars and track them through the refining process;
 - e) EGR's metal account to which the gold metal amount will be assigned;
 - f) The method by which the bars were delivered (e.g. courier); and
 - g) The proposed Final Settlement Date.
 - h) A note stating "Payable metal(s) will, unless otherwise instructed, be credited to your metal account on the Final Settlement Date, or, if applicable, on the Preliminary Settlement Date, provided all assays are completed and, if required, accepted by both parties."
9. JM performs an independent assay and obtains a preliminary result regarding the gold, silver and platinum metal content of the bars received from EGR. JM may credit EGR's metal account at EGR's request with a quantity of gold equivalent to 95% of the gold content in the bars. This credit is an advance of gold and is always made to EGR's metal account.

10. The metal account represents the quantity of gold (and silver and platinum metals as the case may be) in troy ounces that is provided by EGR to JM for refining. The account is also referred to as a consignment account indicating the amount of gold received from EGR and stored at JM's facility in gold form and an equivalent amount of which may either be for future sale by EGR or for return to EGR.
11. Subject to the provisions dealing with Early Settlements in the Standard Terms and Conditions, no transfer of ownership or title to the gold from EGR to JM (or any other person) takes place until after Final Settlement. Similarly, all risks of ownership, including risk of loss/profit due to market fluctuations, of the gold in EGR's metal account remain with EGR. Until Final Settlement, the status of the bars is tracked by JM. The metal accounts are akin to brokerage accounts in that they show EGR's metal holdings with JM.
12. When JM advances EGR metal to EGR's metal account, JM charges a fee to EGR for the advance based on prevailing interest rates. Upon making the advance, JM will issue an Invoice and Metal Credit (IMC) to EGR indicating the advance. The IMC notes that the Early Settlement fee is due on the invoice date.
13. The following terms are defined in paragraph I of the Standard Terms and Conditions:

"Contract" and "Agreement" and "Quotation" means the document including all appendices, for the Services to which these Conditions are included or attached and form a part thereof.

"Early Settlement" means the future date of return to you of a portion of the Returnable Metals at additional cost and prior to the Final Settlement Date.

"Final Settlement" and "Final Settlement Date" and "Metal Availability Date" means the future date of return to you of Returnable Metals based on completion of final assays.

"Returnable Metals" and "Recoverable Metals" means the metals to be returned to you following completion of the Services, in accordance with your Contract.

"Services" means the services to be provided by us to you under the Contract.

14. The term "Customer" and "Refiner" in the following excerpts of the Standard Terms and Conditions refer to "EGR" and "JM" respectively. Paragraphs 16 and 17 of the Standard Terms and Conditions describes the Early Settlement and Sale arrangements:

16. **Early Settlement.** If agreed, the Refiner may at a future date, calculated in Working Days from the date of receipt or representation of the Material at the Refinery, credit a portion of the Returnable Metals(s), expressed as a percent of the total, to the Customer's metal account at the Refinery prior to Final Settlement. This will incur an additional cost which, unless otherwise agreed, shall be the Refiner's customary charge in effect on the date of receipt or representation, as applicable. The Customer agrees and acknowledges that, in the event of an Early Settlement, they will no longer have claim, right, title, or ownership in or to the Material that remains in the refining process at the time of the Early Settlement, up to the amount of the metal(s) made available to the Customer as a result of such Early Settlement. The Customer will indemnify and hold the Refiner harmless from any claims by any person in or to such Material which is inconsistent with the foregoing Early Settlement terms. In the event that the amount of metal(s) made available to the Customer on the date of Early Settlement is greater than the amount of Returnable Metal(s), the Customer shall be liable to the Refiner for the excess metal(s) returned, the value of which will be determined based on the published London prices on the date of Early Settlement.

17. **Sale to the Refiner.** On or after the Metal Availability Date, the Customer may elect to sell the Returnable Metals to the Refiner at a mutually agreed price. The Customer shall confirm each pricing instruction in writing to the Refiner one Working Day in advance of the date on which such pricing is to

be executed. The Refiner shall effect payment two Working Days after pricing and shall deduct its agreed charges from each payment made.

15. Once JM completes the assay, JM sends a certificate of analysis showing the results to EGR; this provides a final determination of the metal (gold) content of the "ingots" received by JM and requires adjusting the accounts between JM and EGR further to the issuance of a final IMC.
16. To complete the transaction, JM issues a final IMC to EGR detailing the transfer of the gold content to EGR's metal account as well as charges incurred for the services performed by JM. The final IMC specifies the treatment, assay and refining charges in respect of the "ingots" sent by EGR to JM.
17. The IMC sets out the total amount of gold credited to EGR's metal accounts in troy ounces along with the amount of the Early Settlement with a reference to the Early Settlement IMC. The IMC also contains a summary showing the weight of the gold in EGR's account carried forward, the amount of gold in the particular lot previously advanced by JM to EGR, and the amount of gold added to EGR's account at Final Settlement and the new balance in the metal account.
18. EGR has options with respect to the refined gold in its metal account with JM:
 - a) EGR may request that JM return the gold (in the form of bars or grain);
 - b) EGR may sell the gold to JM;
 - c) EGR may retain the gold in its metal account with JM; or
 - d) EGR may ask that the gold be transferred to another person.

When EGR uses option a), EGR's metal account is reduced by the weight of gold returned. JM charges a manufacturing fee for making EGR's gold into the form requested except when the gold is made into 100 or 400 troy ounce gold bars.

Under option b), JM provides trading services to EGR where EGR enters into futures or hedging contracts both buying and selling gold using JM's trading department. To accommodate the sale of gold, EGR asks JM to transfer the ounces of EGR's gold from its metal account to EGR's trading account. EGR then sells that gold to JM who then resells the gold on the market, usually in the form of 400 troy ounce gold bars; EGR only sells gold to JM in purity and form acceptable as a precious metal for GST/HST purposes and does not sell gold grain to JM.

Where EGR requests that the gold in its metal account be transferred to another person's account, EGR will have supplied gold to that other person, in 99.99% gold bar form.

19. EGR only sells gold to JM in 99.99% gold bar form. The gold sold is in a form ready for trade (e.g. a "Good Delivery Bar") to another person such as a bank. In these cases, JM issues a bullion purchase invoice showing a credit to EGR's bank account for the gold sold. This invoice shows the weight of the gold sold in troy ounces, the price per troy ounce and the total amount paid by JM to EGR.

Transactions between EGR and its clients

20. As stated in Fact 3, EGR occasionally buys gold from its clients albeit as scrap (whether jewellery or other forms) that contains gold; accordingly, EGR may have paid GST/HST on some of these purchases.
21. In a manner similar to JM advancing EGR gold metal, historically EGR would advance its clients 90% of the value of the estimated gold content in the clients' metal received by EGR for refining. This advance to EGR's clients was in the form of money or refined gold. If the advance was in refined gold, the purity is 99.99% and the form may be bars of different weight, casting grain or gold grain.
22. EGR's client may choose to wait for settlement from JM, possibly requesting an accounting and asking EGR to deliver the shortfall or difference in gold (in addition to the 90% advance), subject to paying EGR a refining fee. In these cases, EGR only returns 98% of the value of the gold, holding back 2% to account for loss in the refining process, error margin in the assay and EGR's gross profit.
23. When the transactions involve supplying clients with gold in bar or grain form subsequent to the refining of the client's metal, EGR returns an equivalent amount of gold to the client. In these cases, EGR completes a "Record" document showing the client's name, telephone number, date, the weight and gold content percentage of the gold metal received from the client, the weight in grams of refined gold in the gold metal received, the weight in grams of refined gold returned to the client and its value. If the gold is in bar form, the bar number will also be noted on the Record. The Record is provided with the refined gold returned to the client.

Audit's position

Audit has indicated that based on the wording in the Standard Terms and Conditions it appears that EGR has made taxable supplies of scrap gold to a refiner, JM in this case, before such scrap was refined into pure gold. Specifically, that title and ownership of the scrap gold passed before the commencement of the refining process, and as such, EGR was required to collect and remit tax on the supply of the scrap gold to JM.

Furthermore, Audit took the position that EGR made taxable supplies involving the provision of gold grain in exchange for the scrap gold presented by its clients and, in respect of these supplies, it was to remit GST/HST. Audit took the position that relief provided under subsection 153(3) for barter transactions between registrants did not apply to these transactions, as the properties exchanged by the parties were not of the same class or kind as required by this provision.

Registrant's position

The position taken by EGR is that the gold was only sold to JM after JM had refined it on EGR's behalf, and as such, taxable supplies by EGR relating to these sales of refined gold were zero-rated.

Furthermore, the position of EGR is that where the transactions with its clients involve supplying refined gold in the form of gold grain the transaction is a supply of an exempt financial instrument and, further, that under section 153 no tax is exigible.

ISSUES RAISED

We have been asked to provide our views on the following:

1. What transactions between EGR and JM, and EGR and its clients, are subject to GST/HST and when does it apply?
2. Does subsection 153(3) apply to relieve tax on the transactions between EGR and JM or EGR and its clients?

OUR COMMENTS

Our comments are based on the facts and background information described above. Supplies of financial services are exempt under Part VII of Schedule V unless they are specifically listed as zero-rated under Part IX of Schedule VI. A financial service often involves a transaction relating to a financial instrument or money.

For example, paragraph (d) of the definition of financial service in subsection 123(1) includes the transfer of ownership of a financial instrument.

The definition of a financial instrument in subsection 123(1) includes a "precious metal". A precious metal is defined in that same subsection to mean "a bar, ingot, coin or wafer that is composed of gold, silver or platinum and that is refined to a purity level of at least

- (a) 99.5% in the case of gold and platinum, and
- (b) 99.9% in the case of silver;"

In this context, it is the CRA's position that a bar, ingot or wafer at the required purity level must be generally recognized and accepted for trading on Canadian financial markets in order to be considered a "precious metal". Typically, these products will bear markings that indicate the purity level of the metal and have an identification mark of the issuing financial institution or company. With respect to a "coin", only those coins that are at the required purity levels and that have been issued by a government authority and that may be used as currency would qualify as a "precious metal".

The definition of a zero-rated supply is a supply that is included in Schedule VI. Section 3 of Part IX of Schedule VI zero-rates a supply of a financial service that is the supply of precious metals where the supply is made by the refiner or by the person on whose behalf the precious metals were refined. This section provides that the first supply of a refined precious metal meeting the purity and form requirements as set out in subsection 123(1) is a financial service and is zero-rated.

1. *What transactions between EGR and JM, and EGR and its clients, are subject to GST/HST and when does it apply?*

EGR purchases of scrap gold

When EGR purchases scrap gold from other persons, EGR is required to pay tax if the sale is a supply being made by a registrant in the course of a commercial activity. EGR would be entitled to claim an input tax credit (ITC) in respect of such acquisitions provided the conditions in section 169 are met.

Supply of refining services by EGR

When EGR provides an assaying or refining service only to a client (i.e. the client retains ownership of the gold content) it is required to charge and collect tax in respect of the supply of services.

GST/HST treatment of sales of refined gold

The supply by way of sale of a metal, in the course of a commercial activity, that does not meet the conditions of the definition of a "precious metal" for GST/HST purposes is not considered to be a supply of a financial instrument, but rather a supply of property other than a financial instrument. The sale of gold that does not meet the definition of "precious metal", if it has the required purity level, but is not in the form of a bar, ingot, coin or wafer (for example, in forms such as grain or altered (cut) bars, among other forms), is subject to GST/HST at the appropriate rate on the value of the consideration for the supply.

Where gold becomes a precious metal for GST/HST purposes (e.g. Good Delivery Bars), after the refining service supplied by JM, the first sale of the precious metal after refining by EGR or EGR's client¹, as the case may be, (i.e. the person on whose behalf the precious metals were refined), to JM or to other persons, will be a zero-rated supply pursuant to section 3 of Part IX of Schedule VI and any subsequent sale of the precious metal generally will be an exempt supply. For metals that do not become "precious metals" for GST/HST purposes (e.g. gold grain), the sale of such metals by EGR or EGR's clients that are registrants generally will be subject to GST/HST (i.e. not zero-rated) at the appropriate rate.

In summary, if EGR or EGR's client that is a registrant sells (directly or through JM) the gold that was refined and is credited to its account in a form and of a purity level required under the definition of precious metal for GST/HST purposes, that sale would be a sale of a precious metal and zero-rated pursuant to section 3 of Part IX in Schedule VI.

If, however, EGR or EGR's client that is a registrant sells the gold that was refined and is credited to its account in a form not meeting the requirements of the definition of precious metal

¹ We understand that any transaction made by a client of EGR to JM (or another third party) would be made by EGR on behalf of its client since JM has no contract with EGR's client. EGR would not be considered to have made a supply to JM (or other third party) in this case.

for GST/HST purposes, e.g. gold grain, the sale would be a taxable supply and subject to GST/HST at the appropriate rate.

Early Settlements between EGR and its clients

When EGR provides an Early Settlement to a client whose gold EGR has agreed to refine, no tax is chargeable by EGR where EGR makes a payment of money to the client which is an advance. In such cases EGR is providing an exempt financial service (advancing money). The fee for the financial service, which is based on prevailing interest rates, is not subject to tax.

There is also an implied agreement at the time of the Early Settlement for a supply of gold to be made by the client to EGR upon Final Settlement, usually in the form of a precious metal. The advanced money to the client is consideration paid by EGR for this future supply by the client to EGR of a financial instrument—precious metal. Accordingly, GST/HST applies at the rate of 0% on this consideration paid by EGR for the future supply of the precious metal. If, on the other hand, gold to be supplied by the client to EGR will not meet the criteria of purity and form to be a precious metal as defined for GST/HST purposes (e.g. gold grain, gold wire, etc.), the money advanced by EGR would be consideration for a future taxable supply that is not zero-rated, and the client should collect GST/HST from EGR at the time the money is advanced.

Where EGR advances physical gold to the client that is in "precious metal" form as defined for GST/HST purposes, no tax would be chargeable by EGR on the supply of a "precious metal" to the client. However, where EGR advances gold in a form that does not meet the definition of "precious metal" for purposes of the GST/HST (e.g. gold grain or gold wire), EGR must charge and collect tax on this supply of gold at the time the gold is advanced.

Also, the future supply of gold grain or gold wire, that is not a precious metal, from the client to EGR, would be a supply that is taxable at the appropriate rate of GST/HST, so that EGR's client should collect tax from EGR at the time the future supply of gold, that is not a precious metal, is made. However, no tax would be chargeable by the client to EGR where the client is supplying gold in the form of a "precious metal" to EGR.

The analysis of subsection 153(3) in the context of these exchanges of gold between EGR and its clients is discussed below in our response to question 2.

Supply of refining services by JM

When EGR ships the metal in the form of an unrefined "ingot" to JM to be refined and EGR (or EGR's client, as the case may be) maintains ownership of the gold content, there is no sale at that point from EGR (or from EGR's client) to JM. There is, however, an agreement for the supply of a refining service by JM to EGR for which tax should be charged and collected by JM.

Transactions between EGR and JM: Early Settlements

When EGR elects to receive an Early Settlement from JM, if the Early Settlement is an advance of money, there is no tax chargeable by JM, as this supply (i.e. the advance of money) is a

financial service. However, if JM advances physical gold to EGR, the transfer of gold to EGR would constitute a supply. If the gold supplied constitutes a "precious metal" as defined for GST/HST purposes (i.e. in purity and form), this would be a zero-rated supply by JM as refiner. If, on the other hand, the gold is not in precious metal form (e.g. gold grain, gold wire, etc.), the supply of the gold would be taxable at the standard rate at the time the gold is advanced.

If EGR supplies gold to JM from its account in exchange for the advance and where this gold is a "precious metal" as defined for GST/HST purposes, no tax would be chargeable in respect of that supply by EGR. The supply of a precious metal by the person on whose behalf the gold was refined is a zero-rated supply for GST/HST purposes. If EGR were to supply gold to JM from its account in a form other than a "precious metal" for ETA purposes, this supply would be subject to tax at the time the gold is advanced. However, we have been advised that EGR only supplies gold in "precious metal" form to JM.

In terms of the Early Settlement as consideration paid by JM to EGR, there is an agreement at the time of the Early Settlement for a future supply of gold to be made by EGR to JM, always in the form of a precious metal. The gold or money advanced to EGR is consideration paid by JM for the future supply by EGR to JM of a financial instrument—precious metal. Accordingly, GST/HST applies at the rate of 0% to the supply by EGR to JM under section 3 of Part IX in Schedule VI, as the gold to be supplied will meet the criteria of purity and form to be a precious metal as defined for GST/HST purposes, and the supply will be made by the person on whose behalf the gold was refined. Therefore, no tax would be collectible by EGR with respect to the advance, as it is consideration for a zero-rated supply.

The application of subsection 153(3) to these barter transactions is discussed below in our response to question 2.

When JM charges a fee to EGR based on a percentage of the value of the gold advanced, if JM is advancing physical gold there may be tax consequences. In this case, if JM as a refiner is advancing gold that meets the definition of "precious metal" no tax is chargeable by JM on this supply, or on its fees. JM would, however, be required to collect tax in respect of gold advanced that is not in the form of a "precious metal" (e.g. gold grain, gold wire, etc.), as well as the related fee.

Transaction between EGR and JM: Final Settlement

When Final Settlement occurs and EGR has chosen not to obtain delivery of the physical gold from JM, and wishes to finalize the crediting of its metal account, a sale of a "precious metal" occurs at that time by EGR to JM for the entire amount of ounces that is deducted from the account. As per the Submission, EGR only sells gold to JM in "precious metal" form. Therefore, where EGR finalizes the crediting of its metal account and sells gold in "precious metal" form to JM as a result, tax is applicable at 0% on the value of the Final Settlement credited to EGR's metal account, since this would be consideration for the supply of a precious metal, which would be a zero-rated supply pursuant to section 3 of Part IX in Schedule VI.

If EGR has chosen instead to obtain delivery of gold in bars or other forms, such as gold grain, from JM after the refining process, there is no sale of gold that occurs by EGR to JM, because the gold is being returned to the owner of the metal (i.e. EGR or EGR's client, if the gold was being refined on behalf of the client).

When does GST/HST apply?

Pursuant to paragraph 17 of the Standard Terms and Conditions, EGR may elect to sell the "Returnable Metals" to the refiner (JM) at a mutually agreed price only on or after the "Metal Availability Date", which is the same date as the Final Settlement Date.

For GST/HST purposes, entering into an agreement constitutes a supply, and a prepayment of consideration is subject to tax even if property has not yet been transferred. Tax is generally payable on the earlier of the day the consideration is paid, and the day it becomes due. However, where the value of all or part of the consideration is not ascertainable on the day the consideration is paid, then tax calculated on the value of that part of the consideration that is ascertainable on that day is payable on that day, and tax calculated on the value of the consideration that is not ascertainable would become payable on the day that its value becomes ascertainable. These rules would apply to two sets of supplies: the sale of gold by EGR to JM, and the gold advanced by JM to EGR.

In terms of the supply of gold by JM to EGR when there is an advance of gold by JM to EGR, a supply of the gold advanced occurs on the day it is advanced, the Early Settlement Date. If the gold is in a form that makes this supply a taxable supply (that is not a zero-rated supply) by JM to EGR, GST/HST would be payable by EGR on the Early Settlement Date calculated on the value of the consideration for the gold advanced on that day. The consideration for this supply of gold by JM would be the commensurate reduction in the amount to be paid to EGR for gold sold to JM by EGR on or after Final Settlement Date.

In terms of the supply of gold by EGR to JM, this supply occurs on or after the Final Settlement Date. If the gold is in a form that makes this supply a taxable supply (that is not a zero-rated supply) by EGR to JM, GST/HST would be payable by JM on or after the Final Settlement Date calculated on the value of the gold, net of any Early Settlement amounts or advances that had previously been paid to EGR, which, as early payments of consideration, would have been subject to GST/HST on the Early Settlement Date, as discussed above under the heading "Transactions between EGR and JM: Early Settlements".

2. Does subsection 153(3) apply to relieve tax on the transactions between EGR and JM or EGR and its clients?

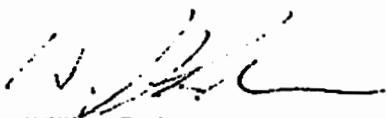
GST/HST Policy Statement P-221, *Meaning of the phrase "a particular class or kind" as found in subsection 153(3) of the Act (P-221)*, provides CRA's views on the application of subsection 153(3).

The criteria, as outlined in P-221, are not met where either gold grain, gold bars or scrap gold are exchanged for gold in a different form, as the different forms of gold are not considered to be similar properties of a "particular class or kind" for purposes of subsection 153(3). The conditions of subsection 153(3) would be met, for example, where a gold bar is exchanged for a gold bar, or gold grain is exchanged for gold grain.

Therefore, the exchange of property in the form of a precious metal for property in another form (e.g. gold grain) between two persons (EGR and JM, or EGR and EGR's clients) in these transactions will constitute a supply of property made by each of the persons that is a barter transaction that does not meet the conditions of subsection 153(3). The value of the consideration for the supply made by the person is the fair market value of property received from the other person in such circumstances.

If you require clarification with respect to any of the issues discussed in this letter, please call me directly at 613-952-0328.

Yours truly,



William Parker
Financial Institutions and Real Property Division
Excise and GST/HST Rulings Directorate

This is **Exhibit "N"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

February 11, 2013

Your file / Votre référence

Express Gold Refining Limited
 215 Victoria Street, Suite 400
 Toronto, Ontario
 M5B 1T9

*Our file / Notre référence*Attention: Mr. Atef Salama

Dear: Mr. Salama:

Re: GST/HST Returns: 2008-06-01 to 2012-04-30
 Business Number: 13855 7095 RT0001

This is further to your submission of July 15, 2011 and subsequent representations in regard to the proposed audit adjustments to your GST/HST returns stated in our letter of March 14, 2011. After careful consideration of your representations and further review of the GST/HST returns covering the above noted period, we are now revising the proposed adjustments to cover the non-statute barred periods as follows:

<u>Adj#</u>	<u>Description of Adjustment</u>	<u>Initial Proposal March 14, 2011</u>	<u>Revised Proposal February 11, 2013</u>
1	GST/HST assessed re: JM scrap metal sales	11,508,423	-
2	GST/HST assessed re: Grain gold sales	1,552,144	1,174,054
3	Non recoverable ITCs on overhead expenses	-	51,740
4	Related party ITCs disallowed	6,800	19,210
5	ITCs disallowed re: lack of supporting docs.	-	15,967
6	ITCs disallowed on automobile expenses	-	12,415
7	ITCs disallowed re: invalid vendor reg. #	-	9,900
8	Recapture of ITCs on meals and entertainment	-	3,560
9	Unreported RITCs assessed	-	8,694
	Total Proposed Adjustments	13,067,367	1,295,540

(For details of the revised proposed net tax adjustments of \$1,295,540, please see the attached Sch. A through Sch. A3)

Explanation:**1. GST/HST assessed re: taxable supplies of scrap metal to JM \$0**

In our letter of March 14, 2011, we proposed to assess GST/HST on the supplies of scrap metal by EGR to Johnson Matthey Limited ("JM") on the basis that the supplies in question occurred on the Early Settlement Date on which EGR delivered the scrap metal to JM and at which point, JM paid approximately 95% of the total value of the gold contained in the scrap metal delivered. It was our view that title and ownership of the scrap metal passed from EGR to JM on that date and as such GST/HST was due on the supply on that date.

However, in a letter dated January 29, 2013 (the "Rulings Letter"), of which your authorized representatives have a copy, the GST/HST Rulings Directorate at Headquarters appears to support your position that the supplies in question took place on the Final Settlement Date after the refining of the scrap metal and as such were zero-rated supplies of precious metal as per the following excerpt:

"In terms of the Early Settlement as consideration paid by JM to EGR, there is an agreement at the time of the Early Settlement for a future supply of gold to be made by EGR to JM, always in the form of a precious metal. The gold or money advanced to EGR is consideration paid by JM for the future supply by EGR to JM of a financial instrument-precious metal. Accordingly, GST/HST applies at the rate of 0% to the supply by EGR to JM under section 3 of Part IX in Schedule VI, as the gold to be supplied will meet the criteria of purity and form to be a precious metal as defined for GST/HST purposes, and the supply will be made by the person on whose behalf the gold was refined. Therefore, no tax would be collectible by EGR with respect to the advance, as it is consideration for a zero-rated supply."

In light of the foregoing, we are not proceeding with the proposed GST/HST adjustment of \$11,508,423 on the supplies made by EGR to JM during the relevant period.

2. GST/HST assessed re: taxable supplies of grain gold \$1,174,054

Our position with regard to the tax status of the supplies of grain gold involving barter transactions with customers whereby EGR made taxable supplies of grain gold to the customers and the customers made taxable supplies of scrap metal to EGR remains the same. Our position is that each party to the barter transaction was required to collect and remit tax, unless subsection 153(3) of the Excise Tax Act (the "Act") would have applied to relieve tax on the same. In the Proposal, we took the position that subsection 153(3) of the Act was not applicable to the transactions as the criteria set out in P-221 which requires that the property being exchanged be of the same class or kind was not met. The foregoing position is supported by the position stated in the Rulings Letter in an excerpt which states the following:

"Therefore, the exchange of property in the form of a precious metal for property in another form (e.g. gold grain) between two persons (EGR and JM, or EGR and EGR's clients) in these transactions will constitute a supply of property made by each of the persons that is a barter transaction that does not meet the conditions of subsection 153(3). The value of the consideration for the supply made by the person is the fair market value of property received from the other person in such circumstances".

As a result, we are maintaining our initial proposal to assess the unreported tax on the taxable supplies in question. Taking into account the statute barred period, we are proposing to assess \$1,174,054 under subsection 296(1) of the ETA. (For details, please see the attached Sch. B)

3. **ITCs disallowed re: Overhead Expenses** **\$51,740**

During the Relevant Period, EGR incorrectly claimed ITCs of \$ 51,740 on overhead expenses used in its exempt activities as a result of claiming full ITCs without proration between commercial and non-commercial activities as required under subsections 169(1), 141(1) and 141.01(5) of the ETA. In arriving at the aforementioned figure, we have used the direct allocation method, which in our view, best reflects the usage of inputs in EGR's activities. Using this method, we have prorated the ITCs for the GST/HST payable on overhead expenses using the ratio of direct taxable inputs to total direct input. Using this method, the result is that for the periods covering fiscal years ending May 31, 2009, 2010 and 2012, the ratio is below 90%, the Agency's threshold for a registrant to be considered to be using inputs exclusively in commercial activities and therefore eligible to claim to claim full ITC. Therefore, we are now proposing to disallow the ITCs over claimed on overhead expenses of \$51,740 under subsection 296(1) of the ETA. (For details, please see the attached Sch. C through Sch. 21)

4. **ITCs disallowed re: Related Party Expenses** **\$19,210**

During the Relevant Period, EGR incorrectly claimed ITCs totalling \$19,210 in relation to invoices issued to related parties, namely Farag Properties Inc. (Farag) and D & M Enterprises. Of these ITCs, \$14,529 are in respect of invoices that were issued in the names of both EGR and Farag. Such joint recipient invoices were for legal expenses payable to the law firm of Heenan Blakie LLP relating to damage to a building owned by Farag in which EGR was still a tenant. It is our position that, as the building is for use in the commercial activities of the owner, Farag, it is Farag that is entitled to claim the subject ITCs in accordance with subsection 169(1) of the ETA. With respect to the D & M invoices, it is our

position that the ITCs were incorrectly claimed by EGR as EGR was not the recipient of the supplies and therefore the documentary requirements of paragraph 169(4)(a) of the Act were not met. In light of the foregoing, we are now proposing to disallow the incorrectly claimed related party ITCs of \$19,210 under subsection 296(1) of the Act. (For details, please see Sch. D through D.11)

5. **ITCs re: No Supporting Documentation** **\$15,967**

During the Relevant Period, EGR incorrectly claimed ITCs of \$15,967 in respect of GST/HST payable to P.A Jeweller Sales Group Limited for which no supporting documentation has been provided by EGR. As no documentation in support of the ITC has been provided, the requirements to the claim ITC stipulated in paragraph 169(4) (a) are not met. Therefore, we are now proposing to disallow the incorrectly claimed ITC of \$15,967 in question under subsection 296(1) of the Act. (For details, please see Sch. E through E.1)

6. **ITCs disallowed re: Automobile Expenses Non-commercial Portion** **\$12,415**

During the Relevant Period, EGR incorrectly claimed ITCs of \$12,415 on several automobile leases and other expenses in respect of which EGR has not provided the requisite documentation such as log books to substantiate the use of such automobiles in its commercial activities. As we have not been able to verify the extent of use of the automobiles in EGR's commercial activities, it is our view that the ITCs in question are not allowable under subsection 169(1) of the ETA. Therefore, we are now proposing to disallow the ITCs of \$12,415 in question under subsection 296(1) of the Act. (For details, please see Sch. F through F.11)

7. **ITCS disallowed re: Non-Registrant Vendors** **\$9,900**

During the Relevant Period, EGR incorrectly claimed ITCs of \$9,900 in relation to invoices issued by The 4 Modi Corporation, a vendor related to EGR with an invalid GST/HST registrant number. It is our position that the documentation in support of the ITCs do not meet the requirements to the claim ITC stipulated in paragraph 169(4) (a) and the ITC Information GST/HST Regulations of the Act. Our position is based on the fact that subparagraph 3(c)(i) of the Regulations of the Act requires that supporting documentation where the total amount paid or payable is \$150 or more in relation to which an ITC is claimed bear a valid GST/HST registration number of the supplier. Therefore, we are now proposing to disallow the incorrectly claimed ITCs of \$9,900 under subsection 296(1) of the Act. (For details, please see Sch. G through G.4)

8. **Recapture of ITCs re: Meals & Entertainment** **\$3,560**

For the Relevant Period, EGR did not report the recapture ITCs of \$3,560 on meals and entertainment as required under the provisions of subsection 236(1) of the Act. Therefore, we are now proposing to assess the unreported recapture of \$3,560 under subsection 296(1) of the Act. (For details, please see Sch. H)

9. **Unreported Specified Provincial ITCs** **\$8,694**

For the Relevant Period, EGR, as a large business making annual taxable supplies in excess of \$10 million was required to report a recapture of specified provincial input tax credits (RITCs) under subsection 236.01(2) of the Act but did not. In our audit, we have determined that EGR should have reported RITCs of \$8,694 on specified properties and services acquired during the Relevant Period. Therefore, we are now proposing to raise an assessment for the unreported RITCs of \$8,694 under subsection 296(1) of the Act. (For details, please see Sch. I through I.9)

The proposed adjustments will be subject to interest under sections 280(1) and 284.01 of the Act. Interest will continue to accrue until full payment of the amount owing has been received.

We ask that you review the attachments and, within 30 days of the date of these proposed adjustments, either confirm that you agree with these proposed adjustments or provide a written explanation of why you do not agree with the adjustments and your reasons.

If we do not receive your written representations to these proposed adjustments by March 13, 2013, we shall proceed with processing these adjustments on that date.

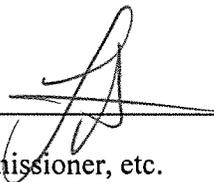
We thank you for your assistance during the audit.

Yours truly,



Robert Balinda
Audit Division
Toronto Centre Tax Services Office
1 Front Street West, Suite 100
Toronto, Ontario, M5J 2X6
Telephone - (416) 250-7907

This is **Exhibit "O"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE ABULVYAN', written over a horizontal line.

A Commissioner, etc.

JANINE ABULVYAN - 80807R

Express Gold Refining Inc.**List of CRA Requests**

From July/2017 to Oct/2018

14/07/2017	Review of books - Express Gold Refining	14/08/2017	01/08/2017	
11/09/2017	Gold & Silver Nabil Sarhane	11/10/2017	05/10/2017	50
28/09/2017	9747583 Canada Ltd	28/10/2017	20/10/2017	170
05/10/2017	KMQ Precious Metals	05/11/2017	25/10/2017	350
10/10/2017	S.S Cash for Gold	10/11/2017	01/11/2017	250
17/11/2017	2344967 Ontario Inc. Victoria Gold Inc.	08/12/2017	28/11/2017	150
17/01/2018	MGB Mall Gold Buyers Ahmad Nawaz	16/02/2018	25/01/2017	200
01/02/2018	1696156 Alberta Ltd Gold Star Jewellers	16/02/2017	12/02/2018	194
01/02/2018	1808133 Alberta Inc. Smart Gold Calgary	16/02/2017	12/02/2018	20
07/02/2018	2407938 Ontario Inc.	21/02/2018		300
07/02/2018	9776087 Canada Inc	21/02/2018	20/02/2018	175
22/02/2018	Review of books 9710990 Canada Inc.	23/03/2018	15/03/2018	380
23/02/2018	2252541 Ontario Inc	07/03/2018	07/03/2018	37
13/03/2018	Gold & Silver Nabil Sarhane	13/04/2018	27/03/2018	72
06/04/2018	S.S Cash for Gold	06/05/2018	18/04/2018	301
19/04/2018	2131011 Ontario Inc Dave Colla Itagold	18/05/2018	10/05/2018	60
04/06/2018	Best Gold Refining	04/07/2018	30/06/2018	18
20/06/2018	Asia Pacific International	04/07/2018	20/07/2018	749
25/06/2018	8561648 Canada Inc.	09/07/2018	26/07/2018	395
12/07/2018	Trade Compliance Verification - EGR			
01/08/2018	9295-7216 Quebec Inc	16/08/2018	15/08/2018	203
20/08/2018	2575720 Ontario Inc AM Cash for Gold	20/09/2018	13/09/2018	143
23/08/2018	2602265 Ontario Inc	23/08/2018	15/08/2018	53
23/08/2018	2457041 Ontario Ltd	08/09/2018	05/09/2018	126
05/09/2018	Karolbagh Jewellers Inc.	05/10/2018	27/09/2018	
21/09/2018	2337980 Ontario Inc.	21/10/2018	17/10/2018	463
24/09/2018	Goldbrex International Inc	26/10/2018	19/10/2018	53
25/09/2018	Gold & Silver Inc.	10/11/2018	25/10/2018	32
04/10/2018	August 2018 HST	15/10/2018	10/10/2018	
04/10/2018	2578202 Ontario Inc.	20/10/2018	18/10/2018	56
17/10/2018	2103710 Ontario Inc	02/11/2018	29/10/2018	26
17/10/2018	1696156 Alberta Ltd Gold Star Jewellers	17/11/2018	25/10/2018	44
19/10/2018	Gold Rain Inc	19/11/2018	02/11/2018	1
25/10/2018	Elizabeth Precious Metals Ltd	10/11/2018	05/11/2018	30

11/09/2018	Express Gold Refining - Gold & Silver	HST Payment		
01/08/2018	Express Gold Refining - Maratek	HST Payment		

July 14, 2017

EXPRESS GOLD REFINING LTD
215 VICTORIA STREET SUITE 400
TORONTO, ON
M5B 1T9

Your file / Votre référence
13855 7095 RT0001
Our file / Notre référence

Atten: Atef Salama

Dear Mr. Salama:

~~Re: Review of books and records for the period January 1, 2016 to June 30, 2017~~
 Account Number: 13855 7095 RT0001

Pursuant to paragraphs 288(1) (a) and (b) and section 291 of the *Excise Tax Act* (ETA) we are asking you to provide for inspection copies of your general ledger accounts showing:

- a) Input tax credits claimed
- b) Instances where payment for scrap gold acquisitions were negotiated using fine gold. *Don*

These records would include: the dates, client's names, business numbers and the dollar values of those transactions. *Amount*

In addition please provide copies of all/any opening account documents pertaining to 2287429 Ontario Inc. operating from 215 Victoria St. Suite 508 Toronto, ON M5B 1T9

Paragraphs 288(1) (a) and (b) provide whereby for purposes related to the administration or enforcement of the ETA, officers of the Canada Revenue Agency are authorized to inspect, audit, and examine your records. Section 291 of the ETA authorizes copies to be made of the documents and information.

We have attached a copies of Section 288 and Section 291 of the ETA for your perusal.

Thanking you in advance for your cooperation.



Canada Revenue
Agency

Agence du revenu
du Canada

REQUIREMENT TO PROVIDE INFORMATION AND DOCUMENTS

CONFIDENTIAL
REGISTERED MAIL

EXPRESS GOLD REFINING
215 VICTORIA ST, SUITE 400
TORONTO ON M5B 1T9

Attention: Atef Salama

Dear Atef Salama:

Re: Gold & Silver Inc. and/or Nabil Sarhane

Date: September 11, 2017

Contact: Pamela Bosley
GST/HST Audit Division
London-Windsor Tax Services
Office
P.O. Box 5548
451 Talbot Street
London, Ontario N6A 4R3
Phone: (519) 675-3303
Fax: (519) 675-3260

1. Pursuant to subsection 289(1) of the *Excise Tax Act* and for purposes related to the administration or enforcement of the said Act, I require you to provide within thirty (30) days from the date of delivery of this requirement, the following information and documents for the above-named pertaining to the period from January 1, 2016 to July 31, 2017:

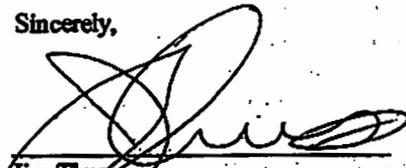
- A detailed summary of your purchases, including invoice number, brief description, sales amount and GST/HST amount, that you have made from the above named or any of its associates
- Copies of the invoices including copies of cancelled cheques (front and back)
- The name(s) of the individual(s) that you dealt with representing this supplier

2. To comply with this requirement you should mail the documents and information, hereby required, to the above named Officer at the address shown above, within the time specified in paragraph 1. Photocopies or certified copies of the documents will be sufficient.

3. Failure to comply with this requirement for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court. You are also liable to prosecution, without further notice, under subsections 326(1) and (2) of the Act which provides for, on summary conviction, a fine of not less than \$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

If you have any questions or concerns, please do not hesitate to contact Pamela Bosley at 519-675-3303. The auditor's team leader Natalie Ayer may be reached at 519-973-7999 ext. 6329.

Sincerely,


Jim Thyss
A/ Manager, Audit
GST/HST Audit Division
London-Windsor Tax Services Office
Canada Revenue Agency

800-267-1111



September 28, 2017

Mr. Atef Salama
Express Gold Refining Ltd.
215 Victoria St., Suite 400
Toronto ON M5B 1T9

Your file / Votre référence

Our file / Notre référence

Dear Mr. Salama:

Re: 9747583 Canada Limited

For purposes related to the administration or enforcement of the *Excise Tax Act* you are required to provide within thirty (30) days from the date of receipt of this notice of requirement and in accordance with the provisions of subsection 289(1) of the Act, the following information and documents for the above-named business pertaining to the period May 10, 2016 to June 30, 2017:

- Jan 17 to June 30, 2017*
1. Photocopies of all invoices issued by, issued to, or on behalf of, 9747583 Canada Limited to Express Gold Refining Ltd. for the period noted above.
 2. Photocopies, front and back, of any cheques issued to 9747583 Canada Limited by Express Gold Refining Ltd. *with Confirmation*
 3. Any reports or settlement details for invoices paid by Express Gold Refining Ltd. to 9747583 Canada Limited that were not paid by cheque.

Compliance with this requirement may be achieved by sending via registered mail, within the thirty (30) day period, the information and documents hereby required to Mark Desjardins at the following address:

London – Windsor Tax Services Office
185 Ouellette Ave.
Windsor ON N9A 4H7

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

You are also liable to prosecution, without further notice, under subsection 326(1) of the Act which provides for, on summary conviction, a fine of not less than

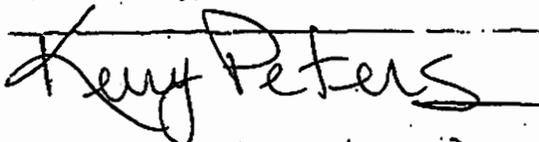
Canada

\$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

If you have any questions or concerns regarding this requirement, do not hesitate to contact Mark Desjardins at 888-551-5655 extension 6257. His team leader, Natalie Ayer, may be reached at 888-551-5655 extension 6329.

Your prompt reply is appreciated.

Sincerely,



Kerry Peters
A/Assistant Director, Audit Division
Tax Services Office: London - Windsor

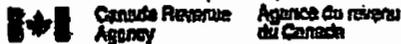
Telephone: 519-973-7999 ext. 6390
Facsimile: 519-257-6911
Address: 185 Ouellette Ave.
Windsor ON N9A 4H7
Website: canada.ca

REGISTERED

OCT. 5. 2017 4:00PM

NO. 8081 P. 1

176



FAX: 416 363 9633

REGISTERED

October 5, 2017

**EXPRESS GOLD REFINING
215 VICTORIA STREET # 400
TORONTO ON M5B 1T9**

Attention: Atef Salama

Re: KMQ Precious Metals Inc. - 2012-07-01 to 2015-05-31

For purposes related to the administration or enforcement of the *Excise Tax Act* you are required to provide within thirty (30) days from the date of receipt of this notice of requirement and in accordance with the provisions of subsection 289(1) of the Act, the following information and documents for the above-named business pertaining to the period July 1, 2012 to May 31, 2015.

A list of all transactions between Express Gold Refining and KMQ Precious Metals Inc. and supporting invoices (refining/sales)

To comply with this notice of requirement, please contact Salome Callaghan at 437-996-1577 within the thirty (30) day period to arrange a date and time to make available the required information and documents.

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

You are also liable to prosecution, without further notice, under subsection 326(1) of the Act which provides for, on summary conviction, a fine of not less than \$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

Canada

OCT. 5. 2017 4:00PM

NO. 8081 P. 2

Your prompt reply is appreciated.

Sincerely,



Fiona Glanville
Manager, GST/HST Division
Tax Services Office: Toronto West-Thunder Bay TSO

Address: 5800 Hurontario Street
Mississauga, ON L5R 4B4
Website: canada.ca

11th floor
GST Audit

October 10, 2017

Mr. Atef Salama
Express Gold Refining Ltd.
215 Victoria St. Suite 400
Toronto ON M5B 1T9

Your file / Votre référence

Our file / Notre référence

Dear Mr. Salama:

Re: S. S. Cash for Gold Inc.

For purposes related to the administration or enforcement of the *Excise Tax Act* you are required to provide within **thirty (30) days** from the date of receipt of this notice of requirement and in accordance with the provisions of subsection 289(1) of the Act, the following information and documents for the above-named business pertaining to the period **January 1, 2015 to June 30, 2017:**

1. Photocopies of all invoices issued by, issued to, or on behalf of S. S. Cash for Gold Inc. to Express Gold Refining Ltd. for the period noted above.
2. Photocopies, front and back, of any cheques issued to S.S. Cash for Gold Inc. for the period noted above.
3. Any reports or settlement details for invoices paid by Express Gold Refining Ltd. to S. S. Cash for Gold Inc. that were not paid by cheque.

Compliance with this requirement may be achieved by sending via registered mail, within the **thirty (30) day** period, the information and documents hereby required to Mark Desjardins at the following address:

London - Windsor Tax Services Office
185 Ouellette Ave.
Windsor ON N9A 4H7

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

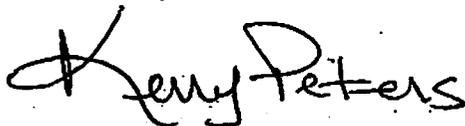
Canada

You are also liable to prosecution, without further notice, under subsection 326(1) of the Act which provides for, on summary conviction, a fine of not less than \$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

If you have any questions or concerns regarding this requirement, do not hesitate to contact Mark Desjardins at 888-551-5655 extension 6257. His team leader, Natalie Ayer, may be reached at 888-551-5655 extension 6329.

Your prompt reply is appreciated.

Sincerely,



Kerry Peters
Assistant Director, Audit Division
Tax Services Office: London - Windsor

Telephone: 888-551-5655 ext. 6390
Facsimile: 888-554-5855
Address: 185 Ouellette Ave.
Windsor ON N9A 4H7
Website: canada.ca

REGISTERED



Canada Revenue
Agency

Agence du revenu
du Canada

November 17, 2017

Express Gold Refining Ltd.
215 Victoria Street
Suite 400
Toronto ON M5B 1T9

Dear Sir or Madam:

Subject: Request for Information and Documents

Section 288 of the *Excise Tax Act* allows an authorized person from the Canada Revenue Agency to inspect, audit, or examine documents of a person that may be relevant in determining the obligations of that or any other person. This requires the owner or manager of a business to give the authorized person reasonable assistance and provide access to any documents that may be relevant.

Please provide copies of purchase and/or expense invoices by **December 8, 2017**, relating to transactions with the following companies for the years 2014, 2015, 2016, and 2017:

- 2344967 Ontario Inc. *Sud*
- 2141697 Ontario Inc. (Nandini International) *Sud*
- Victoria Gold Inc. *Sud*
- 2440024 Ontario Inc.

By Fedex

This includes any and all documents in your possession or under your control, in electronic storage form or otherwise.

Please indicate if you have no such information regarding any of these companies.

The above list should not be considered exhaustive. We may request additional information or documentation as deemed necessary. You can send us the information by fax to 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
Owen Waddington
Saskatchewan Tax Services Office, 4th Floor
340 3rd Avenue North
Saskatoon SK S7K 0A8

Please note that the above information is not being obtained as part of an audit of your business but is requested solely to verify amounts reported with the Canada Revenue Agency.

- 2 -

If you have any questions, please call me at 306-975-6349 or 1-855-427-5240, extension 306-975-6349. My team leader, Brenda Woodley, CPA, CA, can also be reached at extension 306-975-4958.

Thank you for your cooperation.

Yours truly,



Owen Waddington
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-6349
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Internet: www.canada.ca



Canada Revenue
Agency

Agence du revenu
du Canada

January 17, 2018

Atef Salama
Express Gold Refining Ltd
215 Victoris Street
Suite 400
Toronto, ON M5B 1T9

Regarding: MGB Mall Gold Buyers
Ahmad Nawaz

For purposes related to the administration or enforcement of the *Excise Tax Act*, we request you provide the following information no later than **Friday, February 16, 2018**.

- ledger accounts showing all purchases made from either MGB Mall Gold Buyers Inc or Ahmad Nawaz for the period 2010/01/01 to 2017/12/31 inclusive
- all purchase invoices issued by either MGB Mall Gold Buyers Inc or Ahmad Nawaz for 2010/01/01 to 2017/12/31 inclusive
- copies of the front and the back of all cancelled cheques issued to either MGB Mall Gold Buyers Inc. or Ahmad Nawaz for the period 2010/01/01 through 2017/12/31.

Pursuant to the provisions of subsection 288(1) of the *Excise Tax Act*, we are requesting you provide the information as outlined above. Subsection 286(1) of the *Excise Tax Act* requires every person who carries on a business or is engaged in a commercial activity in Canada to maintain books and records.

Sections 288(1) of the *Excise Tax Act* (ETA) and Section 231.1(1) of the *Canadian Income Tax Act*, (ITA), authorizes representatives of the Minister to enter into any premises or place where business is conducted and anything is done in connection with a business for the purpose of examining books and records of, or relating to the taxpayer.

These section also requires any person on the premises to give the authorized representative all reasonable assistance and to answer all proper questions relating to the administration and enforcement of the ITA. Finally, section 231.1(1)(a) authorizes us to "inspect, audit or examine the books and records of a taxpayer and any document of the taxpayer or of any other person that relates or may relate to the information that is, or should be, in the books and records of the taxpayer".

Windsor Tax Services Office
P.O. Box 1655
185 Ouellette Ave.
Windsor, Ontario N9A 7G7

Bureau des services fiscaux
de Windsor C.P. 1655
185, rue Ouellette
Windsor, ON N9A 7G7

Telephone: 519-354-6651 x 6295
Fax: 519-257-6911
Business Enquiries: 1-800-959-5525
Internet: www.cra-arc.gc.ca

Canada

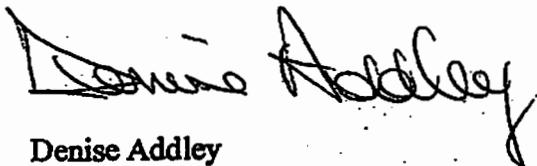
This letter should be considered an informal request for the information noted. If you choose to ignore this request, we could issue a formal legal requirement requesting the information at a later date pursuant to subsection 289(1) of the *Excise Tax Act*. Failure to comply with a formal legal requirement could lead to fines or imprisonment.

Any documentation you provide will be used for the express purpose of the enforcement and administration of the *Excise Tax Act* and will not be used for any other purpose or disclosed to any other persons. Do not send originals. Photocopies of any records you provide will not be returned to you and will be destroyed at a later date.

Please provide a current contact phone number where you can be reached in case we need to call you for clarification purposes.

We hope that this alleviates any concerns you may have with respect to our request and we thank you for your cooperation in this matter. The document can be sent to the address shown in the footer below. If you have any questions or concerns please contact me at 1-888-551-5655 extension 6295. My team leader, Mark Desjardins can also be reached at extension 6257.

Yours truly,



Denise Addley
Audit Division

copy: Nader Saad CA



Canada Revenue
Agency

Agence du revenu
du Canada

February 1, 2018

Express Gold Refining Ltd.
Attn: Controller
215 Victoria Street
Suite 400
Toronto ON M5B 1T9

Dear Sir or Madam:

Subject: Request for Information and Documents

In accordance with Section 288 of the *Excise Tax Act*, please provide, *within 15 days* of the date of this letter, any and all information and/or documentation in your possession or under your control, in electronic storage form or otherwise, for:

1696156 Alberta Ltd. O/A Gold Star Jewellers
Pertaining to the period *October 1, 2014 to September 30, 2017*

Including but not limited to:

- the sales invoices;
- customer account documents;
- opening account documents;
- correspondence;
- a copy of the agreements signed with this company and related to the period;
- the name of the contact person at 1696156 Alberta Ltd. with whom your company communicates;
- a copy of each cancelled cheque.

The above request should not be considered exhaustive. We may request additional information or documentation as deemed necessary. You may send us the information to my attention by fax at 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
Saskatchewan Tax Services Office
Attention: Jaclyn Bartlett
5th Floor
340 3rd Avenue North
Saskatoon SK, S7K 0A8

Canada



Canada Revenue
Agency

Agence du revenu
du Canada

- 2 -

Please note that the above information is not being obtained as part of an audit of your business but is requested solely to verify amounts reported with the Canada Revenue Agency.

If you have any questions, please call me at 306-975-4692 or at 1-855-427-5240, extension 306-975-4692. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,

Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-4692
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Internet: www.canada.ca



Canada Revenue
Agency

Agence du revenu
du Canada

February 1, 2018

Express Gold Refining Ltd.
Attn: Controller
215 Victoria Street
Suite 400
Toronto ON M5B 1T9

Dear Sir or Madam:

Subject: Request for Information and Documents

In accordance with Section 288 of the *Excise Tax Act*, please provide, within 15 days of the date of this letter, any and all information and/or documentation in your possession or under your control, in electronic storage form or otherwise, for:

1808133 Alberta Inc. O/A Smart Gold Calgary
Pertaining to the period *January 1, 2015 to December 31, 2017*

Including but not limited to:

- the sales invoices;
 - customer account documents;
 - opening account documents;
 - correspondence;
 - a copy of the agreements signed with this company and related to the period;
 - the name of the contact person at 1808133 Alberta Inc. with whom your company communicates;
 - a copy of each cancelled cheque.
- Contracts*
ITC
Chq. for GST

The above request should not be considered exhaustive. We may request additional information or documentation as deemed necessary. You may send us the information to my attention by fax at 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
Saskatchewan Tax Services Office
Attention: Jaclyn Bartlett
5th Floor
340 3rd Avenue North
Saskatoon SK, S7K 0A8

FedEx

Canada



Canada Revenue
Agency

Agence du revenu
du Canada

- 2 -

Please note that the above information is not being obtained as part of an audit of your business but is requested solely to verify amounts reported with the Canada Revenue Agency.

If you have any questions, please call me at 306-975-4692 or at 1-855-427-5240, extension 306-975-4692. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,

Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-4692
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Internet: www.canada.ca



Canada Revenue
Agency

Agence du revenu
du Canada

February 7, 2018

Express Gold
Suite 400 215 Victoria Street
Toronto ON M5B 1T9

Dear Atef Salama, Mary Salama, Nabil Salama, and Pishoy Salama:

Subject: 2407938 Ontario Inc.

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fourteen (14) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period October 14, 2015 to December 31, 2017:

- a copy of any available written agreements or contracts between Express Gold and 2407938 Ontario Inc. pertaining to goods/services provided;
- copies of all invoices from 2407938 Ontario Inc.;
- detailed description of all goods and services provided by 2407938 Ontario Inc.; and
- details of all payments made to 2407938 Ontario Inc., including cash payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

The information requested should be sent to the attention of Carrie Lafreniere at the address below.

We thank you for your assistance. Should you have any further questions or concerns, please do not hesitate to contact me at 587-489-2032. My team leader, Randall Honish, can also be reached at 587-489-2025.

Sincerely,

Carrie Lafreniere
Auditor
GST/HST Audit Division
Canada Revenue Agency

Received Feb 21/18

Address: 10 – 9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca
Toll Free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Canada



Canada Revenue
Agency

Agence du revenu
du Canada

February 7, 2018

Express Gold
Suit 400 215 Victoria Street
Toronto, ON M5B 1T9

Dear Atef Salama, Mary Salama, Nabil Salama, and Pishoy Salama:

Subject: 9776087 Canada Inc.

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fourteen (14) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period June 1, 2016 to December 31, 2017:

- a copy of any available written agreements or contracts between Express Gold and 9776087 Canada Inc. pertaining to goods/services provided;
- copies of all invoices from 9776087 Canada Inc.;
- detailed description of all goods and services provided by 9776087 Canada Inc.; and
- details of all payments made to 9776087 Canada Inc., including cash payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

The information requested should be sent to the attention of Carrie Lafreniere at the address below.

We thank you for your assistance. Should you have any further questions or concerns, please do not hesitate to contact me at 587-489-2032. My team leader, Randall Honish, can also be reached at 587-489-2025.

Sincerely,

Carrie Lafreniere
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: 10 – 9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca
Toll Free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Canada Revenue
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du Canada

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Page 02/04

James Gilbert
Audit DivisionToronto West Tax Services Office
5800 Hurontario Street,
Mississauga, Ontario L5R 4B4
Tel: (905) 566-6343 Fax: (905) 566-6753**Canada****EXPRESS GOLD REFINING LTD
215 VICTORIA STREET SUITE 400
TORONTO, ON
M5B 1T9***Your file / Votre référence*
13855 7095 RT0001
Our file / Notre référence

Atten: Atef Salama

Dear Mr. Salama:

**Re: Review of books and records for the period July 1, 2017 to December 31, 2017
Account Number: 13855 7095 RT0001****Pursuant to paragraphs 288(1) (a) and (b) and section 291 of the *Excise Tax Act* (ETA) we are asking you to provide for inspection copies of your general ledger accounts showing:**

- a) Input tax credits claimed.
- b) Instances where payment for scrap gold acquisitions were negotiated using fine gold.

These records would include: the dates, client's names, business numbers and the dollar values of those transactions.**In addition please provide copies of all/any:**

- a) Opening account documents pertaining to 9710990 Canada Inc.
- b) Copies of invoices from 9710990 Canada Inc.

Paragraphs 288(1) (a) and (b) provide whereby for purposes related to the administration or enforcement of the ETA, officers of the Canada Revenue Agency are authorized to inspect, audit, and examine your records. Section 291 of the ETA authorizes copies to be made of the documents and information.**Canada**



February 23, 2018

Express Gold Refining Ltd
Attention: Office Manager
215 Victoria Street
Suite 400
Toronto ON M5B 1T9

Dear Sir or Madam:

Subject: Request for Information and Documents

~~In accordance with Section 288 of the Excise Tax Act, please provide, within 15 days of the date~~
of this letter, any and all information and/or documentation in your possession or under your
control, in electronic storage form or otherwise, for:

2252541 Ontario Inc.
Pertaining to the period *January 1, 2016 to December 31, 2017*

Including but not limited to:

- the sales invoices;
- expense receipts;
- customer account documents;
- opening account documents;
- correspondence;
- a copy of the agreements signed with this company and related to the period;
- the name of the contact person at 2252541 Ontario Inc. with whom your company communicates; and
- a copy of each cheque deposited/copy of cancelled cheques.

The above request should not be considered exhaustive. We may request additional information or documentation as deemed necessary. You may send us the information to my attention by fax at 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
GST/HST Audit Division
Attention: Melanie Mah
340 3rd Avenue North
Saskatoon SK S7K 0A8



Canada Revenue
Agency

Agence du revenu
du Canada

- 2 -

Please note that the above information is not being obtained as part of an audit of your business but is requested solely to verify amounts reported with the Canada Revenue Agency.

If you have any questions, please call me at 306-975-4639 or 1-855-427-5240, extension 306-975-4639. My team leader, Cathy Gadzella, CPA, CGA, may also be reached at extension 306-975-4521.

Thank you for your cooperation.

Yours truly,

Melanie Mah
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-4639
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Website: www.canada.ca



Canada Revenue
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Agence du revenu
du Canada

March 13, 2018

Express Gold Refining Ltd.
215 Victoria St. Suite 400
Toronto ON M5B 1T9

Dear Mr. Atef Salama:

Re: Gold & Silver Inc. and/or Nabil Sarhane

For purposes related to the administration or enforcement of the *Excise Tax Act* you are required to provide within **thirty (30) days** from the date of receipt of this notice of requirement and in accordance with the provisions of subsection 289(1) of the Act, the following information and documents for the above-named individual or business pertaining to the period **2017-06-27 to 2017-12-31**:

1. A detailed summary of your purchases, including invoice number, brief description, sales amounts and GST/HST amounts that you have made from the above named or any of its associates.
2. Copies of invoices including copies of cancelled cheques (front and back).
3. The name(s) of the individual(s) that you dealt with representing this supplier.

Compliance with this requirement may be achieved by sending via registered mail, within the **thirty (30) day** period, the information and documents hereby required to Mark Desjardins at the following address:

London – Windsor Tax Services Office
185 Ouellette Ave.
Windsor ON N9A 4H7

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

You are also liable to prosecution, without further notice, under subsection 326(1) of the Act which provides for, on summary conviction, a fine of not less than

Canada

\$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

If you have any questions or concerns about this requirement, contact Mark Desjardins toll-free at 1-888-551-5655 extension 6257. His team leader, Natalie Ayer, can be reached at 1-888-551-5655 extension 6329.

Your prompt reply is appreciated.

Sincerely,



Kerry Peters
Manager, GST/HST Audit Division
Tax Services Office - London - Windsor

Facsimile: 1-888-554-5855
Address: 185 Ouellette Ave.
Windsor ON N9A 4H7
Website: canada.ca

REGISTERED



Canada Revenue
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du Canada

April 6, 2018

Express Gold Refining Ltd.
215 Victoria St. Suite 400
Toronto ON M5B 1T9

Dear Mr. Salama:

Re: S. S. Cash for Gold Inc.

~~For purposes related to the administration or enforcement of the Excise Tax Act,~~ you are required to provide within **thirty (30) days** from the date of receipt of this notice of requirement and in accordance with the provisions of subsection 289(1) of the Act, the following information and documents for the above-named business pertaining to the period **July 1, 2017 to December 31, 2017**:

- A. Photocopies of all invoices issued by, issued to, or on behalf of S. S. Cash for Gold Inc. to Express Gold Refining Ltd. for the period noted above.
- B. Photocopies, front and back, of any cheques issued to S.S. Cash for Gold Inc. for the period noted above.
- C. Any reports or settlement details for invoices paid by Express Gold Refining Ltd. to S. S. Cash for Gold Inc. that were not paid by cheque.

Compliance with this requirement may be achieved by sending via registered mail, within the **thirty (30) day** period, the information and documents hereby required to Frank D'Agillo at the following address:

London — Windsor Tax Services Office
185 Ouellette Ave.
Windsor ON N9A 4H7

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

You are also liable to prosecution, without further notice, under subsection 326(1) of the Act which provides for, on summary conviction, a fine of not less than \$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

- 2 -

If you have any questions or concerns regarding this requirement, do not hesitate to contact Frank D'Agnillo at 1-888-551-5655 extension 6233#. His team leader, Mark Desjardins, may be reached at 1-888-551-5655 extension 6257#.

Your prompt reply is appreciated.

Yours truly,



Kerry Peters

Manager, GST/HST Division

Tax Services Office: London-Windsor TSO

Fax: 1-888-554-5855

**Address: 185 Ouellette Avenue
Windsor, ON, N9A 4H7**

Website: www.canada.ca

REGISTERED MAIL



Canada Revenue
Agency

Agence du revenu
du Canada

April 19, 2018

Atef Salama
Express Gold Refining Ltd
215 Victoria Street
Suite 400
Toronto, ON M5B 1T9

Re: 2131011 Ontario Inc
David (Dave) Colia
Maria Garofalo
1271470 Ontario Inc
Italgold Inc

Dear Mr. Salama

For purposes related to the administration or enforcement of the *Excise Tax Act*, I request you to provide the following information no later than May 18, 2018.

- ledger accounts showing all purchases made from any of the above named parties for the period 2013/01/01 to 2017/12/31 inclusive
- ledger accounts showing all sales you made to any of the above named parties for the period 2013/01/01 to 2017/12/31
- all purchase invoices issued by any of the above named parties for 2013/01/01 to 2017/12/31 inclusive
- all sales invoices issued by you to any of the above named parties for 2013/01/01 to 2017/12/31 inclusive
- copies of the front and back of all cancelled issued to any of the above named parties for 2013/01/01 to 2017/12/31 inclusive

Pursuant to the provisions of subsection 288(1) of the *Excise Tax Act*, I am requesting you provide the information as outlined above. Subsection 286(1) of the *Excise Tax Act* requires every person who carries on a business or is engaged in a commercial activity in Canada to maintain books and records.

Sections 288(1) of the *Excise Tax Act* (ETA) and Section 231.1(1) of the *Canadian Income Tax Act*, (ITA), authorizes representatives of the Minister to enter into any premises or place where business is conducted and anything is done in connection with a business for the purpose of examining books and records of, or relating to the taxpayer.

Windsor Tax Services Office
P.O. Box 1655
185 Ouellette Ave.
Windsor, Ontario N9A 7G7

Bureau des services fiscaux
de Windsor C.P. 1655
185, rue Ouellette
Windsor, ON N9A 7G7

Telephone: 519-354-6651 x 6295
Fax: 519-257-6911
Business Enquiries: 1-800-959-5525
Internet: www.cra-arc.gc.ca

Canada

This section also requires any person on the premises to give the authorized representative all reasonable assistance and to answer all proper questions relating to the administration and enforcement of the ITA. Finally, section 231.1(1)(a) authorizes us to "inspect, audit or examine the books and records of a taxpayer and any document of the taxpayer or of any other person that relates or may relate to the information that is, or should be, in the books and records of the taxpayer".

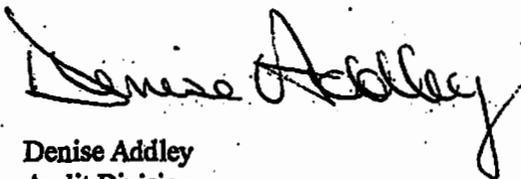
This letter should be considered an informal request for the information noted. If you choose to ignore this request, we could issue a formal legal requirement requesting the information at a later date pursuant to subsection 289(1) of the *Excise Tax Act*. Failure to comply with a formal legal requirement could lead to fines or imprisonment.

Any documentation you provide will be used for the express purpose of the enforcement and administration of the *Excise Tax Act* and will not be used for any other purpose or disclosed to any other persons. Do not send originals. Photocopies of any records you provide will not be returned to you and will be destroyed at a later date.

Please provide a current contact phone number where you can be reached in case we need to call you for clarification purposes.

We hope that this alleviates any concerns you may have with respect to our request and we thank you for your cooperation in this matter. The document can be sent to the address shown in the footer below. If you have any questions or concerns please contact me at 1-888-551-5655 extension 6295. My team leader, Mark Desjardins can also be reached at extension 6257.

Yours truly,



Denise Addley
Audit Division



Canada Revenue
Agency

Agence du revenu
du Canada

May 22, 2018

Express Gold Refining Ltd.
c/o Atef Salama
400 – 215 Victoria St.
Toronto, Ontario
M5B 1T9

Re: **Best Gold Refining Ltd.**

Dear Sir or Madam,

For purposes related to the administration or enforcement of the *Excise Tax Act*, I request you to provide **within (30) days** from the date of this letter the following documentation, relating to the above noted individual.

- A. Photocopies of payable invoices, if any, including shipping and other supporting documentation, received by you from Best Gold Refining Ltd. between January 1, 2014 and March 31, 2018
- B. Photocopies of payments made to Best Gold Refining Ltd. between January 1, 2014 and March 31, 2018

Pursuant to the provisions of subsection 288 (1) of the *Excise Tax Act*, I am requesting you provide the information as outlined above. Subsection 286 (1) of the *Excise Tax Act* requires every person who carries on a business or is engaged in a commercial activity in Canada to maintain books and records.

This letter should be considered an informal request for the information noted. If you choose to ignore this request, we could issue a formal legal requirement requesting the information at a later date pursuant to subsection 289(1) of the *Excise Tax Act*. If you choose to comply, please contact me as soon as possible to make arrangements to provide the documentation.

Any documentation you provide will be used for the express purpose of the administration or enforcement of the *Excise Tax Act* and will not be used for any other purpose or disclosed to any other third party.

Canada

- 2 -

If you need any further assistance or clarification regarding this request, do not hesitate to contact me 1-888-551-5655 extension 6222. My team leader, Natalie Ayer, can be reached at 1-888-551-5655 extension 6329.

Yours truly,



Jacqueline McConnell CPA CA

Fax Services Office: 17 - London - Windsor

Telephone: 519-973-7999 ext. 6222

Facsimile: 519-257-6911

Address: 185 Ouellette
Windsor, ON N9A 4H7

Internet: www.cra.gc.ca



Canada Revenue
Agency

Agence du revenu
du Canada

June 20, 2018

Express Gold Refining Ltd.
215 Victoria St. Suite 400
Toronto, On M5B1T9

Fax: 416-363-9633

Dear Atef Salama

Subject: Asia Pacific International Inc. o/a Bullion Mart

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fourteen (14) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period January 01, 2015 to May 31, 2018.

- a copy of any available written agreements or contracts between Express Gold Refining Ltd. and Asia Pacific International Inc. o/a Bullion Mart pertaining to goods/services provided or received;
- copies of all invoices to or from Asia Pacific International Inc. o/a Bullion Mart.
- detailed description of all goods and services provided to or by Asia Pacific International Inc. o/a Bullion Mart; and
- details of all payments made to or from Asia Pacific International Inc. o/a Bullion Mart, including cash payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

The information requested should be sent to the attention of Chris Antulov at the address below.

We thank you for your assistance. Should you have any further questions or concerns, please do not hesitate to contact me at 780-419-4037. My team leader, Maggie Wong, can also be reached at 587-489-2064.

↳ please call July 20/18

Sincerely,

Chris Antulov
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: 10 - 9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca
Toll Free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)



Canada Revenue
Agency

Agence du revenu
du Canada

June 25, 2018

Ms. Mary Salama
Mr. Atef Salama
Mr. Nabil Salama
Mr. Pishoy Salama
Express Gold Refining Ltd.
400 - 215 Victoria Street
Toronto ON M5B 1T9

Dear Messrs. Salama and Ms. Salama:

Subject: 8561648 Canada Inc.

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fourteen (14) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period from January 1, 2015 to December 31, 2017:

- a copy of any available written agreements or contracts between Express Gold Refining Ltd. and 8561648 Canada Inc. pertaining to goods/services provided or received;
- copies of all invoices to or from 8561648 Canada Inc.;
- detailed description of all goods and services provided or received from 8561648 Canada Inc.; and
- details of all payments made to or from 8561648 Canada Inc., including cash payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

The information requested should be sent to the attention of Carrie Lafreniere at the address below.

We thank you for your assistance. Should you have any further questions or concerns, please do not hesitate to contact me at 587-489-2032. My team leader, Maggie, can also be reached at 587-489-2064.

Sincerely,

Carrie Lafreniere
Auditor
GST/HST Audit Division
Canada Revenue Agency

July 30/18

Address: 10 - 9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet:
Toll Free:

canada.ca
1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Canada



Canada Border Services Agency
Agence des services frontaliers du Canada

PROTECTED B

Case No. C-2016-009128
July 12, 2018

PRIORITY POST

Mr. Atef Salama
Director
Express Gold Refining Ltd
215 Victoria Street
Toronto, Ontario, M5B 1T9

Dear Mr. Salama:

Subject: Trade Compliance Verification Notification Letter – Tariff Classification

EXPRESS GOLD REFINING LTD (Express Gold Refining Ltd), Business Number—138557095RM0001—has been selected by the Canada Border Services Agency (CBSA) for a Trade Compliance Verification. This verification is conducted under the authority of sections 42 and 42.01 of the *Customs Act*. The objective of this verification is to promote and ensure compliance with customs accounting obligations as they relate to the CBSA's tariff classification program, specifically with regard to gold unwrought or in semi-manufactured form.

The verification period will be from June 1, 2016 to May 31, 2017. It is anticipated that this verification will be conducted as a "desk verification", however, if required, you may be contacted to arrange an on-site visit to the company's premises.

This verification will be conducted using a sample of Express Gold Refining Ltd Canada Customs Entry Coding Forms (B3s). Pursuant to subsection 40(1) of the *Customs Act*, please provide the following documentation and/or records for each of the B3 transaction lines listed in Appendix A:

- Canada Customs Coding Form (B3)
- Canada Customs Invoice
- B3 Recap Sheet (if applicable)
- Import Permit (if applicable)
- Commercial Invoice
- Product literature, or any other information that will assist or that was used in the determination of the tariff classification of the imported goods

Canada

Fedex Contract @ 5/18
EXP disputes @ fedex
List transaction number Com
Fedex Acc

Information obtained during the verification will be treated in a confidential manner as required by section 107 of the *Customs Act*. To ensure the CBSA is responsive to our clients' needs for privacy and that we maintain the confidentiality of any information that may be shared or exchanged as a result of the verification, we have enclosed an Authorization to Share Information Form. If applicable, please complete the attached form to indicate the type of correspondence and/or communication you authorize CBSA to provide and/or engage in with your customs broker or other customs service provider. Once we receive the completed form, the CBSA will provide your customs broker or other customs service provider with copies of all information and/or communicate with them, as per your authorization, in accordance with paragraph 107(9)(b) of the *Customs Act*. Please return the attached form to my attention with the original signature of an authorized officer of the company.

Upon completion of the verification, Express Gold Refining Ltd will receive an interim report summarizing the verification findings and outlining any additional requirements when corrective actions for future compliance are required.

For the reassessment period, Express Gold Refining Ltd will be required to correct all same and similar goods to those goods found to be in error and referenced in the final report. Same and similar goods mean: other models of the goods verified, and any other goods that have the same function as the goods verified, that differ in a manner (e.g., size, colour, capacity, etc.) that is not relevant to the tariff classification of the goods to the tariff item level. Express Gold Refining Ltd will have the opportunity to provide comments prior to the issuance of the trade compliance verification final report.

If incorrect tariff classifications are identified within the sample, the import transactions verified will be corrected/re-determined by the CBSA on Detailed Adjustment Statements. If incorrect tariff classifications are identified, Express Gold Refining Ltd will be required to make corrections on transactions outside the sample for all same and similar goods imported during the reassessment period.

For details regarding the Reassessment Policy, please refer to the CBSA website: <http://www.cbsa-asfc.gc.ca/publications/dm-md/d11/d11-6-10-eng.html>

If we do not receive all the requested documents by the date indicated below, Express Gold Refining Ltd will be assessed an Administrative Monetary Penalty under Contravention C157 which reads as follows:

Person who imports, or causes to be imported, commercial goods failed to make records and documents in respect of those goods available to an officer when requested.

Contravention C157 is applied on a per written request basis. Failure to respond to this written request for records and documents will result in a first level penalty of \$300.

For details regarding the Administrative Monetary Penalty System (AMPS) please refer to the CBSA website at: <http://www.cbsa-asfc.gc.ca/trade-commerce/amps/menu-eng.html>

I am the principal contact for this verification. Should you require additional information, I can be reached at the number below. Please submit all requested information, referencing Case No. C-2016-009128 and the specific B3 transaction numbers, to my attention by August 11, 2018.

20040397872

August 1, 2018

Express Gold Refining Ltd
(Luisa Miranda)
Express Gold Refining Ltd
215, St Victoria, SUITE 400
Toronto (ONTARIO) M5B 1T9

Subject: Request for documents and information

We wish to verify certain information about the following business: 9295-7216 Québec inc..

In order for us to verify that information, please send us, for the period from June 1, 2016, to December 31, 2017, photocopies of the documents listed below concerning that supplier.

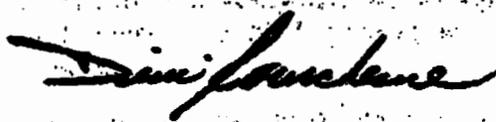
- Invoices showing the date of purchase, the invoice number, the total purchase amount before taxes and the taxes charged.
- Photocopies of both sides of the cheques that were used to pay for the purchases from the supplier.
- The name of the contact person for this supplier.
- The contracts entered into with the supplier.
- Bank statement if wire transfer payment.

Note that we may request other documents or explanations concerning certain invoices.

Please send the requested documents and information to the undersigned, whose contact information is given at the bottom of the page, by August 16, 2018.

If you would like more information, please contact the undersigned.

Your cooperation is essential to maintaining a tax system that is fair for all.



Dini Courchesne
Service de vérification C

Canada Revenue
AgencyAgence du revenu
du Canada

AUG 20 2018

REGISTERED

ATEF SALAMA
DIRECTOR
EXPRESS GOLD REFINING LTD.
400 - 215 VICTORIA ST
TORONTO ON M5B 1T9

Dear Mr. Salama:

Re: Audit of 2575720 Ontario Inc. O/A AM Cash for Gold

For purposes related to the administration or enforcement of the *Excise Tax Act* and in accordance with the provisions of subsection 289(1) of the Act, you are required to provide within **thirty (30) days** from the date of receipt of this requirement, the following information and documents for the above-named businesses pertaining to the period from May 1, 2017 to March 31, 2018:

1. Statement providing details of all purchases, including barter transactions from the above named businesses for the period from 2017-05-01 to 2018-03-31. This statement should include invoice date, invoice number, amount, and GST/HST paid.
2. Statements providing details of all sales, including barter transactions to the above named businesses for the period from 2017-05-01 to 2018-03-31. This statement this should include invoice date, invoice number, amount, and GST/HST collected.
3. Copies of all purchase invoices and sales invoices, including records of barter transactions from (to) the above named businesses for the period from 2017-05-01 to 2018-03-31.
4. Copies of all assay reports for all purchases and sales, including barter transactions from (to) the above named business for the period from 2017-05-01 to 2018-03-31.

To comply with this requirement, please contact Salome Callaghan at 437-996-1577 within the **thirty (30) day** period to arrange a date and time to make available the required information and documents. Alternatively, compliance with this

Canada

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requirement may be achieved by sending via registered mail, within the thirty (30) day period, the information and documents hereby required to the attention of Salome Callaghan at the following address:

Toronto West-Thunder Bay TSO
5800 Hurontario Street – 11th Floor
Mississauga, ON L5R 4B4

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

If you have any questions, you may call Salome Callaghan at 437-996-1577. You may also contact the Team Leader on this file, Brian Sanders, at 905-615-2781.

Thank you for your co-operation. Your prompt reply is appreciated.

Sincerely,



Rob Musselman
Section Manager, GST/HST Audit Division
Toronto West-Thunder Bay Tax Services Office

Telephone : 905 - 803-7884
Fax: 905 - 803-7849
Address: 5800 Hurontario Street
Mississauga, ON, L5R4B4
Website: canada.ca

Canada Revenue
AgencyAgence du revenu
du Canada

August 23, 2018

Mr. Atef Salama
Express Gold Refining Ltd
400 - 215 Victoria Street
Toronto ON M5B 1T9

Dear Mr. Salama:

Subject: 2602265 Ontario Inc.

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fifteen (15) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period from October 1, 2017 to April 30, 2018:

- a copy of any available written agreements or contracts between Express Gold Refining Ltd and 2602265 Ontario Inc. pertaining to goods/services provided or received;
- copies of all invoices to or from 2602265 Ontario Inc.;
- detailed description of all goods and services provided or received from 2602265 Ontario Inc.; and
- details of all payments made to or from 2602265 Ontario Inc., including cash payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

The information requested should be sent to the attention of Lorena Neitsch at the address below.

We thank you for your assistance. Should you have any further questions or concerns, please do not hesitate to contact me at 587-489-2041. My team leader, Maggie Wong, can also be reached at 587-489-2064.

Sincerely,

L. Neitsch

Lorena Neitsch
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: 10 - 9700 Jasper Avenue NW
Edmonton AB T5J 4C8

Fax: 780-495-7369

Internet:

canada.ca

Toll Free:

1-800-959-8281 (Individual)

1-800-959-5525 (Business)

Canada



Canada Revenue
Agency

Agence du revenu
du Canada

August 23, 2018

Mr. Atef Salama
Express Gold Refining Ltd
400 - 215 Victoria Street, Suite
Toronto ON M5B 1T9

Dear Mr. Salama:

Subject: 2457041 Ontario Ltd.

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fifteen (15) days from the date of receipt of this notice, and in accordance with the provisions of subsection 248(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period from March 1, 2016 to May 31, 2018:

- a copy of any available written agreements or contracts between Express Gold Refining Ltd and 2457041 Ontario Ltd. pertaining to goods/services provided or received;
- copies of all invoices to or from 2457041 Ontario Ltd.;
- detailed description of all goods and services provided or received from 2457041 Ontario Ltd.; and
- details of all payments made to or from 2457041 Ontario Ltd., including cash payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

The information requested should be sent to the attention of Lorena Neitsch at the address below.

We thank you for your assistance. Should you have any further questions or concerns, please do not hesitate to contact me at 587-489-2041. My team leader, Maggie Wong, can also be reached at 587-489-2064.

Sincerely,

L. Neitsch

Lorena Neitsch
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: 10 - 9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca
Toll Free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

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Canada Revenue
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Agence du revenu
du Canada

September 5, 2018

Atef Salama
Express Gold Refining Ltd
400-215 Victoria Street
Toronto, ON M5B 1T9

Re: Requirement for Information and Documents ("RFI")
Karolbagh Jewellers Inc
Manju Bala Lal

For purposes related to the administration or enforcement of the *Excise Tax Act*, you are required to provide within thirty (30) days from the date of receipt of this notice of requirement, and in accordance with the provisions of subsection 289(1) of the Act, the following information and documents for the above-named Individual/business pertaining to the date 2015/01/01 to 2017/12/31:

- copies of purchase ledgers for the period 2015/01/01 through 2017/12/31 inclusive
- copies of your accounts payable sub-ledger account for the above named parties for 2015/01/01 through 2017/12/31 inclusive.
- copies of all purchase invoices issued to you by the above named parties for 2015/01/01 to 2017/12/31 inclusive
- copies of the front and back of all cancelled you wrote to the above named parties for 2015/01/01 to 2017/12/31 inclusive
- copies of all sales invoices issued by you to any of the above named parties for 2015/07/01 to 2016/12/31 inclusive

Compliance with this requirement may be achieved by sending via registered mail, within the thirty (30) day period, the information and documents hereby required to Denise Addley located at the following address:

Denise Addley
Canada Revenue Agency
185 Ouellette Avenue
Third Floor
Windsor ON N9A 4H7

Photostatic or certified copies of the documents will be sufficient.

Failure to comply with this request for information can result in the Canada Revenue Agency requesting a compliance order under subsection 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

You are also liable to prosecution, without further notice, under subsection 326(1) of the Act, which provides for, on summary conviction, a fine of not less than \$1,000 and not exceeding \$25,000 or such a fine and imprisonment for a term not exceeding twelve (12) months.

Your prompt reply is appreciated.

Sincerely,



Kerry Peters
Section Manager GST/HST Audit
London-Windsor Tax Services Office

Telephone: 519 - 973-7999 x 6390

Facsimile: 519 - 257-6911

Address: 185 Ouellette Avenue
Windsor ON N9A 4H7

Internet: www.cra-arc.gc.ca

REGISTERED MAIL



Canada Revenue Agency
Agence du revenu du Canada

REQUIREMENT TO PROVIDE DOCUMENTS OR INFORMATION

September 21, 2018

Registered Mail

EXPRESS GOLD REFINING LTD.
400 - 215 VICTORIA STREET
TORONTO ON M5B 1T9

Re: 2337980 Ontario Inc.

For purposes related to the administration or enforcement of the *Excise Tax Act* (Act) and in accordance with the provisions of subsection 289(1) of that Act, you are required to provide within **thirty (30) days** from the date of receipt of this requirement, the following information and documents for the above-named entity, pertaining to the period from January 1, 2015 to June 30, 2018:

1. All documents and particulars of all transactions between the person named above and your company.
2. Copies of all Assay Reports prepared on behalf of the person named above, during the period of time noted above.

Compliance with this requirement may be achieved by sending by registered mail, within the **thirty (30) day** period, the information and documents as required to Cathy Cochrane, at the address below.

If you have any questions, please contact Cathy Cochrane at (519) 645-5012. The auditor's team leader, Natalie Ayer may be reached at (519) 973-7999 extension 6329.

Failure to comply with this requirement can result in the Canada Revenue Agency requesting a compliance order under section 289.1 of the Act. Failure to comply with such a compliance order could lead to a finding of contempt of court.

Your prompt reply is requested.

Sincerely,

Myles Nimetz
Manager, Audit
GST/HST Audit Division
London-Windsor Tax Services Office
Canada Revenue Agency

Fax: (519) 675-3251
Address: 11th floor, 451 Talbot Street, London Ontario N6A 5E5
Website: <https://www.canada.ca/en/revenue-agency.html>

Canada



Canada Revenue
Agency

Agence du revenu
du Canada

September 24, 2018

Atef Salama
Express Gold Refining Ltd
215 Victoria Street
Suite 400
Toronto, ON M5B 1T9

Regarding: Goldbrex International Inc
~~Asia Paraveen~~
Ahmad Nawaz

For purposes related to the administration or enforcement of the *Excise Tax Act*, we request you provide the following information no later than **Monday, October 26, 2018**.

- ledger accounts showing all purchases made from any and all of the above named parties for the period 2015/09/01 to 2018/06/30 inclusive
- all sales invoices issued to you from any of the above named parties for the period 2015/09/01 to 2018/06/30 inclusive
- copies of the front and the back of all cancelled cheques issued by you to any of the above named parties for the period 2015/09/01 to 2018/06/30 inclusive

Pursuant to the provisions of subsection 288(1) of the *Excise Tax Act*, we are requesting you provide the information as outlined above. Subsection 286(1) of the *Excise Tax Act* requires every person who carries on a business or is engaged in a commercial activity in Canada to maintain books and records.

Sections 288(1) of the Excise Tax Act (ETA) and Section 231.1(1) of the Canadian Income Tax Act, (ITA), authorizes representatives of the Minister to enter into any premises or place where business is conducted and anything is done in connection with a business for the purpose of examining books and records of, or relating to the taxpayer.

These section also requires any person on the premises to give the authorized representative all reasonable assistance and to answer all proper questions relating to the administration and enforcement of the ITA. Finally, section 231.1(1)(a) authorizes us to "inspect, audit or examine the books and records of a taxpayer and any document of the taxpayer or of any other person that relates or may relate to the information that is, or should be, in the books and records of the taxpayer".

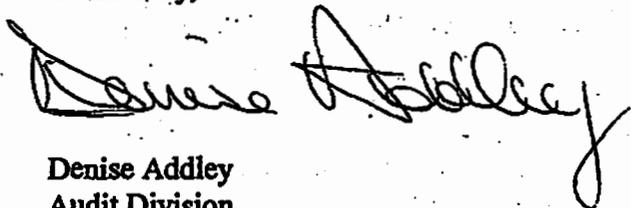
This letter should be considered an informal request for the information noted. If you choose to ignore this request, we could issue a formal legal requirement requesting the information at a later date pursuant to subsection 289(1) of the *Excise Tax Act*. Failure to comply with a formal legal requirement could lead to fines or imprisonment.

Any documentation you provide will be used for the express purpose of the enforcement and administration of the *Excise Tax Act* and will not be used for any other purpose or disclosed to any other persons. Do not send originals. Photocopies of any records you provide will not be returned to you and will be destroyed at a later date.

Please provide a current contact phone number where you can be reached in case we need to call you for clarification purposes.

We hope that this alleviates any concerns you may have with respect to our request and we thank you for your cooperation in this matter. The document can be sent to the address shown in the footer below. If you have any questions or concerns please contact me at 1-888-551-5655 extension 6295. My team leader, Natalie Ayer can also be reached at extension 6329.

Yours truly,



Denise Addley
Audit Division

Conoco Avenue Agency

Ouellette
185 Ouellette Avenue
Windsor / Ontario

N9A 4#7

3rd floor



Canada Revenue Agency
Agence du revenu du Canada

Toronto Centre Tax Services Office
Toronto ON M5J 2X6

REGISTERED MAIL

September 25, 2018

EXPRESS GOLD REFINING LTD.
C/O MANAGER
215 VICTORIA STREET, #400
TORONTO ON M5B 1T9

Dear Sir or Madam;

Re: GOLD & SILVER INC.

We are writing to ask for information to help us in administering and enforcing the "Excise Tax Act" under subsection 288(1). Please send us the following information within 45 days:

- 1) complete copies of all contracts entered into with or on behalf of the above named party
- 2) copies of the 3 most recent invoices received from or on behalf of the above named party
- 3) complete copies of the 3 most recent cheques (both sides) you received from or on behalf of the above named party
- 4) complete copies of the 3 most recent cheques (both sides) you issued to or on behalf of the above named party
- 5) if any payments were made electronically and/or by wire transfer, provide the complete banking information for the 3 most recent payments
- 6) complete name(s), telephone number(s) and addresses of the contact person(s) for the above named party

.../2

Canada

National ATP Office
Toronto-Centre
1 Front Street West - Ste 100
Toronto ON M5J 2X6

Local: 416-954-9309
Toll Free: 1-855-431-8757
Fax: 416-954-5742
Web site: canada.ca/taxes

- 2 -

As stated below, article 7(3)(c.1)(iii) of the "Personal Information Protection and Electronic Documents Act" (PIPEDA) allows you to disclose personal information to the Agency, without the knowledge or consent of the individual, for the purpose of administration of any of the acts listed above:

"(3) For the purpose of clause 4.3 of Schedule 1, and despite the note that accompanies that clause, an organization may disclose personal information without the knowledge or consent of the individual only if the disclosure is (c.1) made to a government institution or part of a government institution that has made a request for the information, identified its lawful authority to obtain the information and indicated that (iii) the disclosure is requested for the purpose of administering any law of Canada or a province".

Thank you for your assistance in this matter.

Yours truly,



Ms. D. Forbes (1213)
Collections Officer



Canada Revenue
Agency

Agence du revenu
du Canada

October 4, 2018

Mr. Atef Salama
Express Gold Refining Ltd.
400-215 Victoria Street
Toronto ON M5B 1T9

Dear Mr. Salama:

Subject: 2578202 Ontario Inc.

~~For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA)~~ you are requested to provide within fifteen (15) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period from May 18, 2017 to August 31, 2018:

- a copy of any available written agreements or contracts between Express Gold Refining Ltd and 2578202 Ontario Inc. pertaining to goods/services provided or received;
- copies of all invoices to or from 2578202 Ontario Inc.;
- detailed description of all goods and services provided or received from 2578202 Ontario Inc.; and
- details of all payments made to or from 2578202 Ontario Inc. including cash payments, gold payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

Please send the information to the undersigned at the address below. If you have any questions, please call me at 587-489-2009 or toll free at 1-800-992-0562. My team leader, Maggie Wong, may also be reached at 587-489-2064.

Sincerely,

Ronald Cheung
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: Suite 10
9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca

Toll free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Canada



Canada Revenue
Agency

Agence du revenu
du Canada

October 17, 2018

Mr. Atef Salama
Director
Express Gold Refining Ltd.
Suite 400
215 Victoria Street
Toronto ON M5B 1T9

Dear Mr. Salama:

Subject: Request for information and documentation

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA), you are requested to provide within fifteen (15) days from the date of this letter, and in accordance with the provisions of subsection 288(1) of the ETA, a copy of all invoices that you have in association with 2103710 Ontario Inc. and/or Mohammad Arshad, pertaining to the period from January 1, 2016 to June 30, 2018.

The above request should not be considered exhaustive. We may request additional information or documentation as deemed necessary. You may send us the information by mail at the address listed below.

Please note that the above information is not being obtained as part of an audit of your business but is requested solely to verify amounts reported with the Canada Revenue Agency.

If you have any questions, please call me at 587-489-2105. My team leader, Maggie Wong, can also be reached at 587-489-2064.

Sincerely,

Amanda Ly
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: Suite 10
9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca
Toll Free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Canada

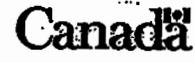


Carol A. Nourdine, CFE
Investigator
Criminal Investigations Division
Toronto North-Base Tax Services Office
5001 Yonge Street, Toronto, ON M2N 6R9
Tele: (416) 218-0940
Fax: (416) 954-6318

Form 5.005

PRODUCTION ORDER FOR DOCUMENTS
(Subsection 487.014(3) of the Criminal Code)

Canada,
Province of Alberta
Prairie Region



COMMUNICATION DOCUMENTS
(paragraphe 487.014(3) du Code criminel)

Canada,
Province de/du (province)
(circonscription territoriale)

To Express Gold Refining Ltd., located at 215 Victoria St, Suite 400, Toronto, Ontario M5B 1T9, a business that has possession or control of the **DOCUMENTS OR DATA TO BE PRODUCED** referred to below and who is not a person under investigation for an offence against this Act or any other Act of Parliament in respect of the offences set out below.

Whereas I am satisfied by information on oath of D. Kevin Monton of Calgary, Alberta, an officer of the Canada Revenue Agency and a public officer appointed or designated to administer or enforce a federal law, whose duties include the enforcement of the *Income Tax Act* and the *Excise Tax Act*, that there are reasonable grounds to believe that certain documents or data, namely:

DOCUMENTS OR DATA TO BE PRODUCED

DOCUMENTS OU DONNÉES À COMMUNIQUER

Copies of documents certified by affidavit to be true copies, or data or documents to be produced based on documents or data already in existence, to wit:

In the possession or control of the Express Gold Refining Ltd., located at 215 Victoria St, Suite 400, Toronto, Ontario M5B 1T9, for Amit Verma, The Gold Refiner Inc. and 1696156 Alberta Inc., both operating as Gold Star Jewellers, for the period from January 1, 2010 to December 31, 2013:

- (a) Original cancelled cheques paid to the above party;
- (b) Electronic funds transfer details paid to the above party; and
- (c) Wire transfer details paid to the above party.



Canada Revenue
Agency

Agence du revenu
du Canada

October 19, 2018

Express Gold Refining
400-215 Victoria St.
Toronto, ON. M5B 1T9

Re: **Gold Rain Inc.**

Dear Mr. Salama,

For purposes related to the administration or enforcement of the *Excise Tax Act*, I request you to provide **within (30) days** from the date of this letter the following documentation relating to the above noted business.

- A. Photocopies of invoices, if any, issued by Gold Rain Inc. to you for products/ services rendered for the period from May 22, 2015 to December 31, 2017.
- B. Copies of cancelled cheques, issued to Gold Rain Inc. for payment of products or services rendered by Gold Rain Inc. for the period May 22, 2015 to December 31, 2017. If cheques were not issued as payments, then a description of how the invoices were settled needs to be provided.
- C. Copies of contracts or written agreements, if any, entered into with Gold Rain Inc.

Pursuant to the provisions of subsection 288(1) of the *Excise Tax Act*, I am requesting you provide the information as outlined above. Subsection 286(1) of the *Excise Tax Act* requires every person who carries on a business or is engaged in a commercial activity in Canada to maintain books and records.

If you choose to ignore this request, we could issue a formal legal requirement requesting the information at a later date pursuant to subsection 289(1) of the *Excise Tax Act*. Failure to comply with a formal legal requirement could lead to fines or imprisonment.

If you choose to comply, please contact me as soon as possible to make arrangements to provide the documentation.

If you do not have any information on the above noted individual/business, or they were not a customer of yours during the period requested, please respond to that effect in writing.

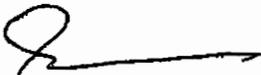
- 2 -

Any documentation you provide will be used for the express purpose of the enforcement and administration of the *Excise Tax Act* and will not be used for any other purpose or disclosed to any other persons. **Do not send original books and records.** Photocopies of any records you provide will not be returned to you but destroyed at a later date.

Please provide a current contact phone number where you can be reached in case we need to call you for clarification purposes.

If you need any further assistance or clarification regarding this request, do not hesitate to contact me 888-551-5655 extension 6215. My team leader, Natalie Ayer, can be reached at 888-551-5655 extension 6329.

Yours truly,



Elaine Marrocco

Canada Revenue Agency

Tax Services Office: 17 - London - Windsor

Telephone (Toll Free): 888-551-5655 ext. 6215

Telephone (Local): 519-973-7999 ext. 6215

Facsimile (Toll Free): 888-554-5855

Facsimile (Local): 519-257-6911

Address: 185 Ouellette

Windsor, ON N9A 4H7

Internet: www.cra.gc.ca

Canada Revenue
AgencyAgence du revenu
du Canada

October 25, 2018

Mr. Atef Salama
Express Gold Refining Ltd.
400-215 Victoria Street
Toronto ON M5B 1T9

Dear Mr. Salama:

Subject: Elizabeth Precious Metals Ltd.

For purposes related to the administration or enforcement of the *Excise Tax Act* (ETA) you are requested to provide within fifteen (15) days from the date of receipt of this notice, and in accordance with the provisions of subsection 288(1) of the ETA, the following information, and documents for the above-named entity pertaining to the period from January 1, 2015 to September 30, 2018:

- a copy of any available written agreements or contracts between Express Gold Refining Ltd. and Elizabeth Precious Metals Ltd. pertaining to goods/services provided or received;
- copies of all invoices to or from Elizabeth Precious Metals Ltd.;
- detailed description of all goods and services provided or received from Elizabeth Precious Metals Ltd.; and
- details of all payments made to or from Elizabeth Precious Metals Ltd. including cash payments, gold payments, copies of the front and back of all cancelled cheques, electronic fund transfers, wire transfers, and any other settlement payment methods.

Please send the information to the undersigned at the address below. If you have any questions, please call me at 587-489-2009 or toll free at 1-800-992-0562. My team leader, Maggie Wong, may also be reached at 587-489-2064.

Sincerely,

Ronald Cheung
Auditor
GST/HST Audit Division
Canada Revenue Agency

Address: Suite 10
9700 Jasper Avenue NW
Edmonton AB T5J 4C8
Fax: 780-495-7369

Internet: canada.ca

Toll free: 1-800-959-8281 (Individual)
1-800-959-5525 (Business)

Canada

This is **Exhibit "P"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R



Canada Revenue Agency
Agence du revenu
du Canada

Tax Services Office
Toronto ON M5J 2X6

November 14, 2017

EXPRESS GOLD REFINING LTD
C/O ATEF SALAMA
400-215 VICTORIA ST.
TORONTO ON M5B 1T9

Account Number
13855 7095 RP0001

*Called Nov 20, left
Nov 21, no message
Nov 22, left msg again
Nov 28 left msg again*

Dear Sir or Madam:

Subject: Trust accounts examination-payroll

This letter is to inform you that trust examiner, Christina Noble, will be conducting a trust examination on your books and records. Please contact Christina Noble no later than November 28, 2017 at 416-882-3214 to schedule the trust examination appointment.

The Income Tax Act, Canada Pension Plan, Employment Insurance Act, and Excise Tax Act state that you must keep books and records and that an officer of the Canada Revenue Agency may examine them.

On the day of the examination, please have the following books and records available for the period Jan 1 2015 to present:

- general ledger
 - subsidiary ledgers
 - year-end adjusting entries
 - payroll journals that show salaries, wages, and commissions for the period
- (include PD7A's and monthly CPP, EI and Tax deductions summaries)
- list of subcontractors and self-employed individuals and their contact information, copies of contracts and invoices
 - cash receipts and disbursements journal
 - shareholders loan journal
 - corporation documents (minute book, director registry)
 - bank statements and cancelled cheques
 - list of current accounts receivable (including credit card and merchant numbers) and accounts payable
 - year 2015-2016 T4 slips and year 2015-2016 T4 Summary
 - year 2015-2016 T4A slips and year 2015-2016 T4A Summary

.../2

Canada

Toronto-Centre Tax Services Office
1 Front Street West - Ste 100
2nd Fl
Toronto ON M5J 2X6

Web site : canada.ca/taxes

- 2 - Acct No: 13855 7095 RP0001

- list of all the taxable benefits for all employees, shareholders, directors, and other person(s)
- automobile lease and purchase agreements, including contracts and logbook(s)
- most recent financial statements
- list of assets

It is important that a director of the corporation be present for the examination to answer questions.

If you don't provide the requested books and records, we may take legal action without further notice.

For more information, please contact Christina Noble at 416-882-3214.

Yours truly,



James Didier
Trust Account Examination

This is **Exhibit "Q"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

**Express Gold Refining Ltd.
215 Victoria St., Suite 400
Toronto, ON M5B 1T9**

February 1, 2013

Mr. Giuseppe Tucci
Audit Manager
Canada Revenue Agency
Audit Division, Toronto Centre TSO
1 Front Street West, 4th Floor, Suite 100
Toronto, ON M5J 2X6

**By facsimile
416-973-8822**

Express Gold Refining Ltd. ("EGR"), Business Number 13855 7095

Dear Mr. Tucci,

Recently, we were approached by one of our customers who had been assessed by the Canada Revenue Agency (the "CRA") for GST/HST not collected in connection with its companies' transactions with us.

In each case, the CRA assessed the company on the basis that the company failed to collect and remit GST/HST on the taxable supply of gold to EGR. Each company is now seeking to recoup the GST/HST assessed by invoicing EGR for the GST/HST collectible as determined by the CRA for each company. That is, each company is invoicing EGR for the GST/HST assessed against it in respect of its transactions with EGR.

We set out below the name of each company, its GST/HST account number and the amount of GST/HST invoiced to EGR.

Company	GST/HST Account Number	GST/HST Invoiced
1539058 Ontario Inc.	860348150RT0001	\$49,612.42
1113128 Ontario Limited	140124231RT0001	\$50,752.88
2079740 Ontario Inc.	827641143RT0001	\$128,595.34
2236384 Ontario Inc.	822767851RT0001	\$11,784.65
2221652 Ontario Inc.	842396053RT0001	\$206,962.08
2165079 Ontario Inc.	816419154RT0001	\$14,674.75

We have attached for each company a copy of the invoice, the Notice of Assessment(s) issued by the CRA and the audit working papers supporting the amount assessed. In support of the amount invoiced by 2221652 Ontario Inc., we have also provided a copy of the audit proposal letter issued by the CRA auditor, which describes the determination of the assessment.

Kindly note that the CRA has not yet assessed the company for all of the amounts of GST/HST collectible in the working papers. The amount of GST/HST invoiced by the companies is limited to the amounts actually assessed. We have marked the working papers to show the amounts that are included in the assessments against the companies which have been invoiced to EGR.

We request that you review the attached documentation and confirm in writing that it satisfies the documentary requirements under subsections 169(4) and (5) of the *Excise Tax Act*.

Regards,

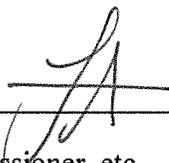
Express Gold Refining Ltd.

Mr. Atef Salama

cc: Mr. Randy Schwartz, Baker & McKenzie LLP

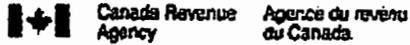
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This is **Exhibit "R"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE', written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R



February 22, 2018

EXPRESS GOLD REFINING LTD
215 VICTORIA STREET SUITE 400
TORONTO, ON
M5B 1T9

Your file / Votre référence
13855 7095 RT0001
Our file / Notre référence

Atten: Atef Salama

Dear Mr. Salama:

Re: Review of books and records for the period July 1, 2017 to December 31, 2017
Account Number: 13855 7095 RT0001

Pursuant to paragraphs 288(1) (a) and (b) and section 291 of the *Excise Tax Act* (ETA) we are asking you to provide for inspection copies of your general ledger accounts showing:

- a) Input tax credits claimed
- b) Instances where payment for scrap gold acquisitions were negotiated using fine gold.

These records would include: the dates, client's names, business numbers and the dollar values of those transactions.

In addition please provide copies of all/any:

- a) Opening account documents pertaining to 9710990 Canada Inc.
- b) Copies of invoices from 9710990 Canada Inc.

Paragraphs 288(1) (a) and (b) provide whereby for purposes related to the administration or enforcement of the ETA, officers of the Canada Revenue Agency are authorized to inspect, audit, and examine your records. Section 291 of the ETA authorizes copies to be made of the documents and information.

Canada

- 2 -

We have attached a copies of Section 288 and Section 291 of the ETA for your perusal.

Thanking you in advance for your cooperation.

Sincerely,



Frank Prizzon CPA CMA
Business Intelligence AGP
Toronto West TSO

905-566-6631

Address: 5800 Hurontario St.
Mississauga, ON
L5R 4B9

Internet: www.cra-arc.gc.ca

Enclosure: copies of sections 288 and 291.

This is Exhibit "S" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN — 80807R



October 4, 2018

EXPRESS GOLD REFINING LTD
400 - 215 VICTORIA ST
TORONTO ON M5B 1T9

Attention: Atef Salama

Dear Mr. Salama:

**Subject: Records required to begin the review of your goods and services
tax/harmonized sales tax (GST/HST) return for the period from 2018-
08-01 to 2018-08-31**
Account number: 13855 7095 RT0001

This is to confirm our appointment on October 15, 2018, at 10:30 AM, at 400-215 Victoria St, Toronto, as agreed during our telephone conversation on October 4, 2018.

As explained, we will review the GST/HST return of Express Gold Refining Ltd. for the period from August 1, 2018 to August 31, 2018. The review will start with an interview and a tour of your premises so that we can become familiar with your business and your records.

To make sure that we can work as efficiently as possible, please have all your books and records available, including the following:

- Banking records for all business and personal accounts including bank statements, cancelled cheques, deposit books and cheque stubs.
- Detailed general ledger or any other journal kept, including sales and purchase journals.
- Sales invoices and related supporting documents.
- Purchase invoices and supporting documents of all business purchases and expenses, including journal entries.
- Lease/purchase/sale agreements for any capital assets leased, bought, or sold in the period.
- Copy of the GST/HST return and the supporting schedules.

Additional information or documents may be required to complete the review.

Canada

If you want to submit your books and records electronically, your case number is 7864231. For more information on how to submit documents, go to canada.ca/cra-submit-documents-online.

To assist you in preparing for the audit, we encourage you to read RC4188, *What You Should Know About Audits*. You can find this pamphlet by going to canada.ca/cra-forms and typing RC4188 in the search box. To help you understand your rights as a taxpayer, we also recommend that you read Guide RC17, *Taxpayer Bill of Rights*. This guide can be found at canada.ca/taxpayer-rights.

If you have any questions, please call me at 437-996-1577. My team leader, Brian Sanders, can also be reached at 905-615-2781.

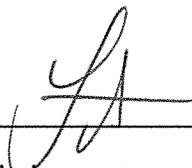
Sincerely,



Salome Callaghan
GST/HST Audit Division
Toronto West-Thunder Bay TSO

Telephone: 437 - 996-1577
Facsimile: 905 - 803-7849
Address: 5800 Hurontario Street
Mississauga, ON L5R 4B4
Website: canada.ca

This is **Exhibit "T"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JA', written over a horizontal line.

A Commissioner, etc.

JANINE ABULVYAN - 80807R

Baker McKenzie.

Baker & McKenzie LLP
Barristers & Solicitors

Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto, ON M5J 2T3
Canada

Tel: +1 416 863 1221
Fax: +1 416 863 6275
www.bakermckenzie.com

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San Francisco
Santiago
Sao Paulo**
Tijuana
Toronto
Valencia
Washington, DC

* Associated Firm
** In cooperation with
Trench, Rossi & Wetanabe
Advogados

November 07, 2018

Our ref: 10008358-92252669

Jaclyn Bartlett
GST/HST Audit Division
Saskatoon Tax Services Office
340 3rd Avenue N.
Saskatoon, SK S7K 0A8
Fax: (306) 652-3211

By fax and courier

Dear Ms. Bartlett,

**Express Gold Refining Ltd. - 13855 7095 RT0001
GST/HST Audit - June 1, 2016 to October 31, 2018 Period**

We are writing on behalf of our client, Express Gold Refining Ltd. ("EGR"), with respect to a proposed GST/HST audit for the June 1, 2016 to October 31, 2018 period, and the withholding of the net tax refund payable to EGR arising from EGR's GST/HST return for the August 2018 reporting period (the "August Net Tax Refund").

Given the urgency and the fact that three different TSOs are or have been involved in EGR's affairs in recent history, we have copied a number of other Canada Revenue Agency ("CRA") officials including: the Assistant Director of Audit (Toronto West TSO); the Assistant Director of Audit (Toronto Centre TSO - the TSO previously involved in audits of EGR); and the Director General, GST/HST Compliance Programs Branch, for immediate consideration. We will also be reaching out to some of these officials by telephone in the next day or so to resolve this matter.

On November 6, 2018, you advised Mr. Atef Salama, EGR's principal, that CRA is withholding the August Net Tax Refund, and will be withholding EGR's net tax refunds indefinitely. You indicated that the basis for withholding the net tax refunds was that CRA identified "high risk" in the gold industry but that the particular "risk" cannot be identified until such time as you have had a chance to review EGR's documentation. This approach is arbitrary and wholly inappropriate, especially given EGR's history of compliance and collaboration with the CRA and the Department of Finance over the last 14 years.

The purpose of this letter is to provide an outline of the key events with respect to EGR's extensive interactions with CRA since 2004 in order to demonstrate that EGR has complied and continues to comply with all of its obligations under the *Excise Tax Act* ("ETA") and, as such, demand that the August Net Tax Refund be paid to EGR forthwith, in accordance with CRA's statutory duty in section 229 of the ETA. Failure by CRA to do so will result in EGR

Baker McKenzie.

being put into an untenable business situation, forcing it into bankruptcy. Further, we have been instructed by EGR to — in the event that CRA does not release the August Net Tax Refund to EGR within the next 15 days — commence legal proceedings against the CRA seeking, among other things, to compel release of the August Net Tax Refund and for damages relating to CRA's over-auditing, harassment and malicious treatment of EGR and acting in bad faith while failing to comply with CRA's statutory obligations.

Overview of EGR's Business Activities

EGR is a family-operated business which facilitates the refining of precious metals for its customers, including gold. Generally, suppliers such as jewelry stores ("Suppliers") will provide scrap metal or jewelry ("Scrap Gold") to EGR for purposes of refining. In most cases, EGR will purchase the Scrap Gold outright from its Suppliers, which constitutes a GST/HST-taxable supply for which EGR pays GST/HST. EGR will arrange for third party refiners ("Refiner(s)") to have the Scrap Gold refined into pure gold bars. The refining service supplied to EGR by the Refiner constitutes a GST/HST taxable service, for which EGR pays GST/HST. Once refined into pure gold bars, EGR will sell the gold bars to third parties, which constitutes a zero-rated supply of "precious metals", pursuant to s. 3, Part IX, Schedule VI of the ETA. Given that EGR is engaged in the purchase of taxable (non-zero-rated) inputs and the supply of zero-rated output, its GST/HST returns always result in net tax refunds payable by CRA to EGR.

History of CRA Audit Activities

During the past 14 years, CRA has conducted extensive audits and enforcement activities of EGR, always concluding that EGR was involved in legitimate *bona fide* business activities and that EGR always complied with its obligations under the ETA to the best of its ability. The key events regarding this history of audit activity are outlined in Appendix "A" of this letter.

The trigger for these significant interventions by CRA, is the input tax credits ("ITCs") that form the basis of EGR's net tax refund returns and specifically, CRA's historical, unwarranted and unfounded suspicion that EGR was involved in nefarious activities with respect to these ITC claims, including involvement in sham transactions. However, CRA has never assessed or proposed to assess EGR with respect to the ITCs underlying its net tax refund returns. Rather, all of CRA's assessment and proposed assessment positions have been based on CRA's interpretation of specific technical provisions in the ETA, resulting in the position that EGR was required to have collected GST/HST on certain transactions with its clients/refiners (GST/HST which, if assessed, would be fully recoverable by such clients/refiners as ITCs, and thus represent a "wash" to the fisc). These positions were largely debunked in a detailed 2013 CRA Headquarters ruling issued with respect to EGR and its business operations.

Nevertheless, CRA has regularly withheld substantial net tax refunds owing to EGR, without providing any reasonable basis for doing so. CRA officials have internally acknowledged these delays, expressing their own "shock" regarding the delays and that CRA had "no legal means" to withhold EGR's net tax refund payments.

Baker McKenzie.

EGR's continued compliance efforts are further demonstrated in its satisfaction all of CRA's frequent, on-going requests. In this regard, EGR has hired a full-time staff member whose sole responsibility is to respond to CRA's on-going inquiries with respect to GST/HST matters. Since the beginning of 2017, EGR has responded to at least 36 separate CRA inquiries, generally involving GST/HST payments made to EGR's Suppliers. Many of the responses include hundreds of pages of documentation. Appendix "B" of this letter contains a summary of these inquiries and responses. Through these inquiries, EGR's ITC claims have been effectively audited on an on-going basis, making this audit redundant, wholly unwarranted and abusive.

EGR and Mr. Salama have often assisted various CRA officers by explaining in great detail how the gold business operates and actively providing information regarding EGR's Suppliers. We understand that EGR's efforts have been of significant assistance to CRA in minimizing fraudulent activities in the gold industry, including failure by suppliers of scrap gold to remit GST/HST collected to the CRA. Notwithstanding this extensive assistance, as well as CRA and the Department of Finance's concerns with fraudulent activities in the industry for many years, substantive changes to the legislation have not been made. Rather, the approach has been for CRA to engage in extensive audits of the industry to the detriment of compliant business such as EGR, without addressing underlying issues. This approach is completely contrary to the principle of certainty, predictability and fairness to be accorded to taxpayers.

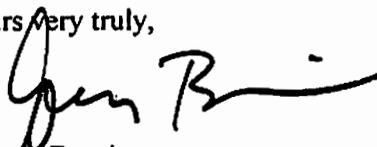
* * * * *

Mr. Salama and his family have been put through an incredible amount of undue stress dealing with these matters. Given its slim profit-margins (approximately 2% of sales), EGR relies heavily on the CRA to efficiently process its monthly net refund returns and promptly make the refund payments in order to enable EGR to pay its operating expenses, suppliers and creditors and allow it to build its pure gold inventory. Although EGR's business volume has recently increased (due to the increased price of gold and new clients), CRA's withholding of such refunds has a more significant impact on EGR's business as the increased volume results in increased net tax refund returns. This is further exacerbated by the fact that CRA's increased audit activity in the gold industry has resulted in increased instances of EGR's suppliers charging and collecting GST/HST on their sales to EGR, thus increasing EGR's monthly ITCs.

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We are requesting that you provide written confirmation of CRA's decision to withhold the August Net Tax Refund. Independent of this request, we also request that CRA release the August Net Tax Refund pursuant to its obligation in section 229 ETA within 15 days of this letter, failing which EGR will commence legal proceedings against the CRA. Yet another withholding of EGR's net tax refund would constitute an abuse of the CRA's authority and any further delay in releasing the August Net Tax Refund would demonstrate a pattern of malice by the CRA against EGR.

Yours very truly,

A handwritten signature in black ink, appearing to read "Jacques Bernier". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jacques Bernier

Baker McKenzie.

- c. Cathy Gadzella
GST/HST Audit Division
Saskatoon Tax Services Office
340 3rd Avenue N.
Saskatoon, SK S7K 0A8
Fax: (306) 652-3211

- c. Assistant Director, GST/HST Audit
Saskatoon Tax Services Office
340 3rd Avenue N.
Saskatoon, SK S7K 0A8
Fax: (306) 652-3211

- c. Brian Sanders
GST/HST Audit Division
Toronto West-Thunder Bay TSO
5800 Hurontario Street
Mississauga ON L5R 4B4
Fax: (905) 566-6182

- c. Salome Callaghan
GST/HST Audit Division
Toronto West-Thunder Bay TSO
5800 Hurontario Street
Mississauga ON L5R 4B4
Fax: (905) 566-6182

- c. Laura Bertola
Assistant Director, GST/HST Audit
Toronto West-Thunder Bay TSO
5800 Hurontario Street
Mississauga ON L5R 4B4
Fax: (905) 566-6182

- c. Nathalie Mingus
Assistant Director, GST/HST Audit
Toronto Centre TSO
1 Front Street W.
Toronto, ON M5J 2X6
Fax: 416-954-8118

Baker McKenzie.

- c. **Mark Richer**
Director General, GST/HST Domestic Compliance Programs
CRA Headquarters
320 Queen Street
Ottawa, Ontario K1A 0L5
Fax: 613-957-3622

- c. **Danny Cisterna**
Partner, National Leader Tax
Deloitte
Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, Ontario M5H 0A9

- c. **Atef Salama, P. Eng, M. Eng**
Vice-President
Express Gold Refining Ltd.
215 Victoria St., Suite 400
Toronto, ONT M5B 1T9

**Appendix "A" to the November 7, 2018 Letter to Jaclyn Bartlett, CRA:
Key Events**

A summary of key events with respect to EGR's interactions with CRA is as follows:

- Prior to September 2004: EGR routinely received its net tax refunds claimed from CRA within 30-45 days from the date it filed its monthly returns, despite being subject to a number of CRA "desk audits" to ensure compliance.
- October 2004: CRA commences a major GST/HST audit of EGR's activities and places a hold on EGR's September 2004 net tax refund. In strict compliance with the CRA Auditor's ("Auditor #1") requests, EGR provides Auditor #1 with access to its business premises for several weeks, access to EGR's clients and copies of numerous documents. This audit was initially focused on standard compliance vis-à-vis substantiating EGR's monthly ITC claims that gave rise to the net tax refund returns.
- December 2004 to January 2006: Throughout this 14 month period, EGR and its professional accounting and legal representatives ("EGR's Representatives") continually request that CRA resolve the audit as net tax refunds continue to be delayed. Throughout this time, there were long periods of time during which CRA would be completely unresponsive to EGR and EGR's Representatives.
- July 2005: A new audit position is raised by Auditor #1 for the first time; namely, that EGR sold taxable gold cut bars rather than standard gold bars, which Auditor #1 considered GST-exempt. (Notably, this audit position would have resulted in wash transactions, given EGR's customers' ability to recover any GST collected by EGR as ITCs.)
- January 2006: CRA releases EGR's net tax refunds dating back to October 2004, having not raised an assessment or proposed assessment arising out of its 16 months of substantial audit activities.
- Early 2006: Another CRA Auditor ("Auditor #2") conducts a four-day on-site audit of EGR (duplicating much of the initial audit). EGR's net tax refunds are again put on hold.
- Later in 2006: Another CRA Auditor ("Auditor #3") conducts on-site and off-site audit activities examining EGR's business (again duplicating much of the work by Auditor #1 and Auditor #2). A third audit theory is raised for the first time; namely, that the return of refined grain gold (i.e., gold with a purity content of 99.9%, in sealed bags bearing customary identification information in grain form) to EGR's customers constituted a GST-taxable supply for which EGR should have collected GST. (Notably, again, this audit position would have resulted in wash transactions, given EGR's customers' ability to recover any GST collected by EGR as ITCs.)

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- **May 2006:** In an internal note, a CRA official acknowledges that, given the time elapsed on current audits, EGR was in a position to seek a court order to compel CRA to release net tax refunds (Tab 1):

"[EGR's audit and other audits] have been ongoing for over a year/two years" and EGR and other audit subjects "are understandably applying pressure to obtain the requested refunds and are in a position to apply for writs of mandamus."

- **November 2006:** Auditor #3 issues a reassessment proposal to increase EGR's net tax in excess of \$12 million to the period ending May 31, 2005, on the theory that EGR made taxable sales of grain gold for which EGR should have collected GST. If the proposal had been carried out, it would have immediately put EGR out of business and into bankruptcy. Again, this audit proposal would have resulted in wash transactions, given EGR's customers' ability to recover any GST collected by EGR as ITCs. This proposal had nothing to do with the ITCs claimed by EGR forming the basis of its net tax refunds, nor was it based on any alleged nefarious activities or sham transactions.
- **January 3, 2007:** EGR Representatives make submissions to CRA, providing extensive details with respect to EGR's business and contending that CRA is required to audit to net tax pursuant to s. 296(2) ETA, which would effectively result in a nominal overall increase to net tax (an approximately \$3,000 increase to net tax as compared to the over \$12 million proposed) (Tab 2).
- **June 29, 2007:** CRA writes to EGR acknowledging that CRA is required to audit to net tax pursuant to s. 296(2) ETA (which would have resulted in the nominal increase to net tax noted above). Notwithstanding this acknowledgement, CRA continues to withhold EGR's net tax refunds.
- **June 2007 to March 2008:** Numerous representations and discussions are had between EGR, EGR's Representatives and CRA, with EGR Representatives requesting that the assessment be finalized in accordance with the June 29, 2007 CRA letter and that the net tax refunds be issued.
- **March 2008:** After four and a half years of extensive audit activity, CRA finally issues reassessments wherein CRA treated the grain gold as taxable but audited to net tax (in accordance with CRA's letter issued approximately 9 months earlier), which resulted in net tax refunds of over \$750,000 being issued to EGR.
- **March to October 2008:** Certain of EGR's net tax refunds continue to be inexplicably withheld, with additional refunds finally being processed in October 2008.
- **November 2008 to August 2009:** CRA again inexplicably withholds EGR's net tax refunds.

Baker McKenzie.

- August 2009: After intervention by EGR's Representatives, CRA finally releases the net tax refunds dating back to November 2008.
- March 2010: CRA commences another GST/HST audit of EGR for the June 2007 to February 2010 reporting periods and again withholds net tax refunds reported in EGR's GST/HST returns for the periods as far back as August 2009. The CRA Auditor ("Auditor #4") communicated his view to Mr. Salama that the GST paid by EGR on its purchases of scrap gold (which formed the basis for virtually all of EGR's net tax refunds) were to be considered a business loss (i.e., were not recoverable as ITCs). This was another new position raised by CRA and one that never formed the basis for assessment (as it has no basis in the ETA).
- August 3, 2010: Internal CRA emails suggest CRA acknowledged the inappropriateness of the withholding of EGR's net tax refunds:
 - "The Business Accounting Division (Debbie Emmerson – Manager) of the Business Returns Directorate at ABSB has taken a look at EG's file. After this review, they have concluded that we have no legal means to maintain the refund inhibit on this account."
 - "I finally connected with SA... to be honest, they were shocked when I said that the refund hold has been in place since July 2009. They have several legal opinions advising them of refund inhibit parameters and this case doesn't appear to meet the parameters... In the meantime, if you decide to go ahead and assess periods that are about to be statute barred I have no issue with this. However... I do not believe it is audit's role to hastily put through an assessment that we are not sure about, simply to establish debt and collectability."
- August 6, 2010: EGR's Representatives file submissions with CRA outlining its previous interactions with CRA, the \$377,311.65 net tax refunds currently being withheld (dating back to August 2009) and requesting confirmation of CRA's position. Having received no response from CRA, follow up letters were sent October 6, November 2, and December 22, 2010 requesting a response and that the net tax refunds be released (Tab 3).
- January 5, 2011: Notices of Reassessment are issued confirming EGR's correct GST/HST reporting for periods from July 1, 2009 to February 28, 2010. Despite this, only partial refunds are released in January and February 2011 for these periods (approximately \$250,000 of a total of about \$800,000 in net tax refunds owing).
- March 14, 2011: A reassessment proposal is issued by Auditor #4 for the period June 1, 2008 to August 31, 2010 proposing to increase EGR's net tax by approximately \$13 million (Tab 4), based on the following:
 - EGR made sales of taxable (non-zero-rated) scrap metal to its refiner, Johnson Matthey ("JM"), for which EGR did not collect GST, resulting in an approximately \$11.5 million increase to net tax. The basis for this position was that CRA was of the view that gold supplied to JM by EGR was in the form of taxable scrap gold at the time title transferred and not in the form of refined gold (which would have been an exempt/zero-rated supply of a

financial service). This audit position had not been previously raised by CRA and was essentially contingent of the timing and nature of the gold being transferred to JM by EGR, which was based primarily upon technical contractual interpretation. Further, it represented a departure from CRA's position as expressed in a March 2006 interpretation and in its pleadings related to a Tax Court appeal of another taxpayer.

- EGR was engaged in barter transactions with its customers whereby it exchanged taxable pure grain gold for scrap metal, resulting in an approximately \$1.5 million increase to net tax.
 - CRA's position was not based on any theory that EGR was engaged in any nefarious activity/sham nor did it have anything to do with the ITCs claimed by EGR with respect to its purchases of scrap gold, which gave rise to the net tax refund returns. In other words, CRA did not take the position that the ITCs claimed by EGR forming the basis of the net tax refunds should be denied, nor did the audit consist of a review of entitlement to ITCs in general terms.
 - The reassessment would have resulted in wash transactions, given EGR's customers' and JM's ability (as GST-registrants) to recover any GST collected by EGR as ITCs. In other words, the reassessment position would not result in any increased revenue to the fisc.
- May 2011: Meeting between EGR, EGR's Representatives and CRA officials from the Toronto Centre TSO; namely an official from the Audit Division ("Auditor #5") and an official from the International & Aggressive Tax Division ("Auditor #6") regarding the March 2011 reassessment proposal.
 - July 15, 2011: EGR Representatives make detailed submissions to Auditor #5 and Auditor #6 regarding the March 2011 reassessment proposal. These submissions include a 34 page letter (Tab 5) plus 16 attachments.
 - July to November 2011: EGR requested that its file be referred to CRA Headquarters for analysis of the effects of the proposed reassessment on the wider gold industry. EGR had understood that the reassessment was being held in abeyance pending intervention from the Assistant Director of the Toronto TSO Audit Division ("Assistant Director"); however, Auditor #4 took additional steps towards have the reassessment issued in November 2011. The Assistant Director ultimately intervened to halt the reassessment.
 - January 2012: Assistant Director advised EGR that the matter was being referred to CRA Headquarters ("CRA HQ") for a technical review.
 - January 2012: EGR received a separate notice of reassessment alleging EGR was non-compliant during November 2011 due to non-filing of EGR's income tax return,

and accordingly, more net tax refunds were withheld. EGR re-sent its income tax return to CRA, only to be informed that, while the account was now viewed to be compliant, the refunds were still going to be withheld, despite the fact that the refunds had nothing to do with the transactions under review by CRA HQ.

- April 2012: First meeting between two officials from CRA HQ, EGR and EGR's Representatives.
- May 2012: CRA HQ officials advise EGR that they directed Toronto Centre TSO (namely, Auditor #4) to audit the ITCs claimed by EGR, which form the basis for the various net tax refund returns being withheld.
- May 2012: Auditor #4 requests a plethora of information which has nothing to do with the ITC claims Auditor #4 was responsible for auditing.
- July 2012: After numerous interventions by EGR's Representatives with Auditor #4's superior, the superior finally acknowledged that the additional requests for information had nothing to do with the audit and that he would recommend that the refunds be released.
- August 2012: The net tax refunds at issue in the audit by Auditor #4 are released.
- January 2012 to January 2013: substantial interactions between EGR, EGR's Representatives, CRA Auditors and CRA HQ. Multiple submissions are made by EGR's Representatives to CRA HQ which are substantially similar to submissions made to Auditor #1, Auditor #2, Auditor #3, and Auditor #4.
- January 29, 2013: CRA Rulings Directorate, Financial Institutions and Real Property Division at CRA HQ issues a detailed (12 page) Ruling with respect to EGR's business operations, outlining many never-before-stated policy positions of CRA with respect to the gold industry. The Ruling concludes, contrary to CRA's March 2011 proposed reassessment, that the supplies of gold by EGR to JM constituted zero-rated supplies. In other words the Ruling concluded that EGR's position was correct on the \$11.5 million issue (Tab 6).
- February 11, 2013: A new reassessment proposal is issued reflecting that sales by EGR to JM are not subject to GST/HST.
- March 2018: Frank Prizzon of the CRA Business Intelligence AGP Toronto West TSO and James Gilbert, CRA Audit Division - Toronto West TSO, meet with Mr. Salama at their request, highlighting issues with GST/HST fraud in the gold industry and indicating that major changes regarding CRA's audit and enforcement activities will be coming in the next few months. These CRA officials suggested that EGR employ a reverse VAT mechanism (i.e., that EGR remit GST/HST payable to its suppliers directly to the CRA, without any statutory basis for doing so).

Baker McKenzie.

- April 2018: Mr. Salama and EGR's Representatives meet with Mr. Prizzon and Mr. Gilbert. Details of that meeting are as follows:
 - Mr. Gilbert indicated that the purpose of the meeting was to "improve compliance" in the gold industry with respect to GST/HST.
 - Mr. Gilbert admitted that he was the instigator of some of the previous CRA auditors of EGR and corresponding withholding of net tax refunds.
 - Mr. Gibert further admitted that he is convinced that EGR is not involved in any nefarious activities and that EGR's GST/HST practices are compliant and that EGR/Mr. Salama was one of the "good guys".
 - Mr. Gilbert expressed a desire for EGR to meet with the CRA and Department of Finance to advocate for legislative amendments to impose a reverse VAT regime in the gold industry.
 - Mr. Gilbert expressed a desire for EGR to unilaterally implement a reverse-VAT mechanism into its business operations, despite the fact that there is no legislative basis for EGR to do so.
 - Mr. Gilbert requested that EGR submit an ATIP request to him and his colleagues.
 - Mr. Gilbert advised that there is nothing that would warrant an audit of EGR and that if there is another instance of the CRA withholding EGR's ITC claims, EGR should call him and he will "fix it".
- June 2018: EGR's Representatives learn that, although employees of CRA, Mr. Prizzon and Mr. Gilbert were not acting in their formal CRA capacity when engaging in the above interactions with EGR and EGR's Representatives. EGR's Representatives are advised not to continue interacting with Mr. Prizzon and Mr. Gilbert. Accordingly, EGR took no further steps with respect to the April 2018 meeting. In particular, EGR took no steps to unilaterally - and without legislative authority - implement a reverse-VAT mechanism into its business operations; did not submit an ATIP request to Mr. Gilbert and his colleagues; and did not request meetings with CRA or Department of Finance to advocate for legislative amendments.
- October 4, 2018: A CRA auditor from the Toronto West TSO ("Auditor #7") sends a letter to EGR advising that EGR's August 1-31, 2018 GST/HST return is under audit.
- October 15, 2018: Mr. Salama meets with Auditor #7 and his team leader ("Auditor #8") and provides them with all requested information and documentation. Specifically, Mr. Salama provided Auditor #7 and Auditor #8 with all sales and purchase information and the list of all ITCs claimed for the audit period.

Baker McKenzie.

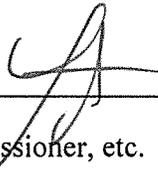
- November 6, 2018: A CRA auditor from the Saskatchewan TSO ("Auditor #9") contacts Mr. Salama and advises that CRA is expanding the August 2018 audit to a full audit covering the period from June 1, 2016 to October 31, 2018. Auditor #9 requested EGR's full software backup for the period and advised that she will be asking for a numerous invoices. Auditor #9 stated that CRA will not be paying any net tax refunds to EGR, including the net tax refund reported in EGR's GST/HST return for the August 2018 period. She indicated that the basis for withholding the net tax refunds was that CRA identified high risk in the gold industry; however, Auditor #9 stated that she could not identify any specific risk vis-à-vis EGR until she has reviewed the documentation provided.

Baker McKenzie

Appendix "B" to the November 7, 2018 letter to Jaclyn Bartlett, CRA: Summary of Recent CRA Inquiries and EGR Responses

14/07/2017	Review of books - Express Gold Refining	14/08/2017	01/09/2017	
11/09/2017	Gold & Silver Nabil Sarhane	11/10/2017	05/10/2017	50
28/09/2017	9747583 Canada Ltd	28/10/2017	20/10/2017	170
05/10/2017	KMQ Precious Metals	05/11/2017	25/10/2017	350
10/10/2017	S.S Cash for Gold	10/11/2017	01/11/2017	250
17/11/2017	2344967 Ontario Inc. Victoria Gold Inc.	08/12/2017	28/11/2017	150
17/01/2018	MGB Mall Gold Buyers Ahmad Newaz	16/02/2018	25/01/2017	200
01/02/2018	1696156 Alberta Ltd Gold Star Jewellers	16/02/2017	12/02/2018	194
01/02/2018	1808133 Alberta Inc. Smart Gold Calgary	16/02/2017	12/02/2018	20
07/02/2018	2407938 Ontario Inc.	21/02/2018		300
07/02/2018	9776087 Canada Inc	21/02/2018	20/02/2018	175
22/02/2018	Review of books 9710990 Canada Inc.	23/03/2018	15/03/2018	380
23/02/2018	2252541 Ontario Inc	07/03/2018	07/03/2018	37
13/03/2018	Gold & Silver Nabil Sarhane	13/04/2018	27/03/2018	72
06/04/2018	S.S Cash for Gold	06/05/2018	18/04/2018	301
19/04/2018	2131011 Ontario Inc Dave Colla itagold	18/05/2018	10/05/2018	60
04/06/2018	Best Gold Refining	04/07/2018	30/06/2018	18
20/06/2018	Asia Pacific International	04/07/2018	20/07/2018	749
25/06/2018	8561648 Canada Inc.	09/07/2018	26/07/2018	395
12/07/2018	Trade Compliance Verification - EGR			
01/08/2018	9295-7216 Quebec Inc	16/08/2018	15/08/2018	203
20/08/2018	2575720 Ontario Inc AM Cash for Gold	20/09/2018	13/09/2018	143
23/08/2018	2602265 Ontario Inc	23/08/2018	15/08/2018	53
23/08/2018	2457041 Ontario Ltd	08/09/2018	05/09/2018	126
05/09/2018	Karolbagh Jewellers Inc.	05/10/2018	27/09/2018	
21/09/2018	2337980 Ontario Inc.	21/10/2018	17/10/2018	463
24/09/2018	Goldbrex International Inc	26/10/2018	19/10/2018	53
25/09/2018	Gold & Silver Inc.	10/11/2018	25/10/2018	32
04/10/2018	August 2018 HST	15/10/2018	10/10/2018	
04/10/2018	2578202 Ontario Inc.	20/10/2018	18/10/2018	56
17/10/2018	2103710 Ontario Inc	02/11/2018	29/10/2018	26
17/10/2018	1696156 Alberta Ltd Gold Star Jewellers	17/11/2018	25/10/2018	44
19/10/2018	Gold Rain Inc	19/11/2018	02/11/2018	1
25/10/2018	Elizabeth Precious Metals Ltd	10/11/2018	05/11/2018	30
11/09/2018	Express Gold Refining - Gold & Silver	HST Payment		
01/08/2018	Express Gold Refining - Maratek	HST Payment		

This is **Exhibit "U"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R



Canada Revenue Agency
Agence du revenu
du Canada

REGISTERED

November 26, 2018

Baker & McKenzie LLP
Attn: Jacques Bernier
Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto ON M5J 2T3

Attention : Jacques Bernier

Dear Mr. Bernier:

**Subject: Express Gold Refining Ltd. - Audit of the goods and services
tax/harmonized sales tax (GST/HST) returns for the period
2016-06-01 to 2018-10-31**

This letter is to acknowledge receipt of your correspondence dated November 7, 2018, regarding your client Express Gold Refining Ltd. (EGR). As requested, we can confirm that we are currently auditing your client for the above-noted period and accordingly will be holding the August 2018 net tax refund claimed as well as all subsequent refunds claimed for the duration of our audit.

All GST/HST refund requests are regularly and systematically reviewed to identify errors, or evidence of non-compliance. As a result, some refunds may be held while the account is under review to enable the CRA to ensure that registrants receive only the correct amount of refund to which they are entitled in order to protect the GST/HST revenue base.

Section 229 of the *Excise Tax Act* (Act) states that the Minister shall pay the refund to a person with "all due dispatch" after the return is filed. The phrase "all due dispatch" is not defined in the Act. The length of time for which the Minister can withhold a refund relating to a return is determined by the complexity of the file and the time required to complete a review of the return filed. This period may vary and is commensurate with the risk identified in the file. Based on our review of your client's file in respect of the current period under audit, we have determined that it would be inappropriate to release the August 2018 net tax refund EGR has claimed, or indeed subsequent refunds, until our audit is complete. With the continued cooperation of your client it is our intention to conduct and conclude this audit in a timely manner.

In your letter you indicate that EGR "relies heavily on the CRA to efficiently process its monthly net refund returns and promptly make refund payments in order to enable EGR to pay its operating expenses, supplies and creditors and allow it to build its pure gold

Canada

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R350 E (08)

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inventory.” That being said, we note from one of EGR’s agreements with its suppliers the following:

...Express Gold reserves the right to delay payment of the Sales Tax to the Customer, at its discretion, for up to three (3) months to ensure proper compliance with the appropriate tax laws. Notwithstanding the foregoing, if the Canada Revenue Agency...clears the payment of Sales Tax then Express Gold agrees it will pay such Sales Tax to the Customer upon receipt of such clearance. If, at the end of such three month period the [CRA] has not determined if the payment of the Sales Tax has been cleared, Express Gold may agree to continue to delay payment of the Sales Tax until such time as the payment of such Sales Tax has been cleared or denied or Express Gold may choose to terminate the transaction at the end of such three month period.

Based on the wording of this agreement, your claim that EGR will “be put into an untenable business situation, forcing it into bankruptcy” appears to be exaggerated, unless there are circumstances of which we are not aware. We wish to assure you that the CRA through its officials is not attempting to compromise EGR’s business but rather is acting in good faith in a manner consistent with its statutory mandate.

Your letter makes reference to a meeting held in April 2018 between representatives from EGR, Mr. Salama and two officials from the CRA, Mr. Frank Prizzon and Mr. Jim Gilbert. It is our understanding that Mr. Gilbert and Mr. Prizzon had a meeting with your client and identified themselves as Business Intelligence Officers and explained that one of their functions is to collect business intelligence on the gold industry in order to direct CRA audit resources to areas of high risk. They stated that they were not auditors, and that EGR was not under audit at that time. It was explained that it is possible that EGR could be selected for review by the Refund Integrity Program.

The “frequent, on-going requests” made by various CRA auditors that you reference in your letter are in the nature of third party verification requests regarding transactions between other entities and EGR. The third party verification process was not for purposes of conducting an audit of EGR’s input tax credit claims; rather, EGR was being contacted on various occasions to verify the transactions between EGR and their suppliers.

EGR registered for a GST/HST account on 1994-06-10. Since the date of registration there has been only one full scale audit conducted of your client. This audit, for the period 2009-10-01 to 2012-04-30, was completed in November of 2013. There have been no subsequent audits or reviews of your client’s account.

A copy of the audit engagement letter is enclosed. This letter confirms that the CRA is currently auditing EGR for the period 2016-06-01 to 2018-10-31 and outlines our procedures in commencing this audit.

Please be assured that the CRA is conducting its audit of EGR for this period in good faith within the scope of its statutory mandate and intends to conclude its work in a timely

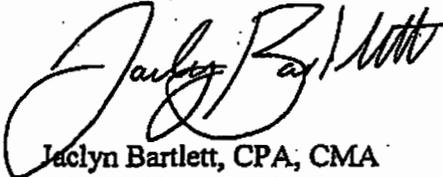
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fashion. As you can appreciate the refinement of precious metals involves complex transactions with multiple suppliers. As a matter of due diligence the CRA is required to verify whether there are any errors or omissions in terms of the reporting of these transactions.

If you have any questions, please call me at 306-975-4692 or at 1-855-427-5240, extension 306-975-4692. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,



Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-4692
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Internet: www.canada.ca

Enclosure

c.c.: Atef Salama
Express Gold Refining Ltd.

This is **Exhibit "V"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'J. Abulvyan', written over a horizontal line.

A Commissioner, etc.

JANINE ABULVYAN - 80807R



Canada Revenue Agency
Agence du revenu
du Canada

November 26, 2018

REGISTERED

Express Gold Refining Ltd.
Attn: Atef Salama
400 – 215 Victoria St.
Toronto ON M5B 1T9

COPY

Dear Atef Salama:

**Subject: Audit of the goods and services tax/harmonized sales tax
(GST/HST) returns for the period 2016-06-01 to 2018-10-31
Business Number: 13855 7095 RT0001**

Your GST/HST returns for the above period have been selected for audit. We are in receipt of a letter from your lawyer, dated November 7, 2018, and we have attached a copy of our response to this letter.

In order to conduct our audit we require information about your business. As discussed with you on November 6, 2018, a Computer Audit Specialist will contact you shortly to obtain a copy of your electronic accounting data. The data must include all transactions for the full audit period noted above, as well as any year-end adjusting entries made.

The records must be provided in an electronically readable format pursuant to subsection 286(3.1) of the *Excise Tax Act* so that the Canada Revenue Agency may make, or cause to be made, a copy of these electronic records pursuant to subsection 291(1) of the Act.

Once we have reviewed the electronic data and completed our preliminary work we will arrange a time for an initial meeting. During the initial meeting, we will conduct an interview and tour the business operation. We will then continue the audit by reviewing the books and records provided and obtaining any further information that may be required to complete the audit.

Please have the following information available for our review during the audit:

1. Books of original entry such as sales/purchase journals, cash receipts journal, general journal/ledger, and synoptic journal, accounts payable and accounts receivable records.
2. Business asset listing and invoices or documents (agreements or contracts) for any capital assets that were acquired or disposed of during the period. If the assets include a vehicle(s), please include the provincial registration documents of the vehicle(s).

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COPY

3. Copies of the GST/HST returns and all backup documentation, including working papers reconciling GST/HST returns to the records.
4. All bank statements for all accounts, cancelled cheques, duplicate deposit slips, and deposit books for the audit period.
5. All credit card statements, line of credit statements and loan/mortgage documents, including the repayment schedules and the purpose of the loans.
6. Corporate minute book.
7. Accountants' year end working papers including adjusting journal entries.
8. All sales invoices and sales records including, but not limited to; melt records, settlement reports, metal credit reports, point of sale reports, sales reconciliation, shipping records, quotes, estimates, contracts, and agreements.
9. All purchase and expense invoices supporting input tax credits including, but not limited to; melt records, settlement reports, metal credit reports, quotes, estimates, contracts, and agreements.
10. All shipping/receiving documents related to secured couriers.
11. Any other records or working papers not listed that relate to your business operations.

If you wish to submit information prior to our initial interview you can send documents electronically through My Business Account. If you are registered for My Business Account and choose to send documents using this option, please use this case number: 34690331. You will find the submit documents choice on the left side bar once you have logged into your account.

You can also send us information by fax to 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
Saskatchewan Tax Services Office
Attention: Jaclyn Bartlett
6th Floor
340 3rd Avenue North
Saskatoon SK S7K 0A8

Every person who carries on a business or is engaged in a commercial activity in Canada is required to keep records containing information that allows for the determination of the person's liabilities and obligations under the Act. Subsection 288(1) of the Act allows authorized officers of the Canada Revenue Agency to inspect, audit, and examine the records.

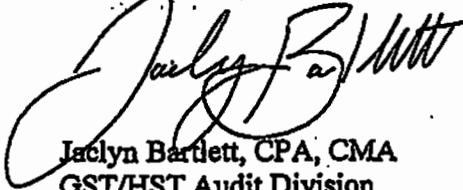
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COPY

For general information on examinations and audits go to canada.ca/gst-hst-pub and see our pamphlet RC4188, *What You Should Know About Audits*. If you want to know more about your rights, please review the Taxpayer Bill of Rights which can be found at canada.ca/taxpayer-rights.

If you have any questions, please call me at 306-975-4692 or at 1-855-427-5240, extension 306-975-4692. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,



Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Enclosures

This is Exhibit "W" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R

Court File No: *T-2085-18***FEDERAL COURT OF CANADA****BETWEEN:**

EXPRESS GOLD REFINING LTD.

Applicant

and

THE MINISTER OF NATIONAL REVENUE

Respondent**NOTICE OF APPLICATION**

TO THE RESPONDENT:

A PROCEEDING HAS BEEN COMMENCED by the Applicant. The relief claimed by the Applicant appears on the following page.

THIS APPLICATION will be heard by the Court at a time and place to be fixed by the Judicial Administrator. Unless the Court orders otherwise, the place of hearing will be as requested by the Applicant. The Applicant requests that this application be heard at the Federal Court in **Toronto, Ontario, or such other place where it can be heard on an expedited basis.**

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or a solicitor acting for you must prepare a notice of appearance in Form 305 prescribed by the *Federal Courts Rules* and serve it on the Applicant's solicitor, or where the Applicant is self-represented, on the Applicant, WITHIN 10 DAYS after being served with this notice of application.

Copies of the *Federal Courts Rules*, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO OPPOSE THIS APPLICATION, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

Date: December 6, 2018

Issued by:

(Registry Officer)



Mavis Griffith
Senior Registry Officer
Agent principal du greffe

Address of local office: 180 Queen Street West
Suite 200
Toronto, Ontario
M5V 3L6

TO:

1. Minister of National Revenue
Ottawa, Ontario

2. Attorney General of Canada
Ontario Regional Office
Department of Justice Canada
120 Adelaide Street West
Suite 400
Toronto, Ontario
M5H 1T1

NOTICE OF APPLICATION

Nature of the Application

1. This is an application for judicial review in respect of the Minister of National Revenue and her delegate, the Canada Revenue Agency (collectively, the "Respondent") in their capacity as administrators of the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "*Act*"). In particular, this application seeks relief from the Respondent's failure to pay the net tax refund claimed by Express Gold Refining Ltd. (the "Applicant") in its GST/HST return for the August 1-31, 2018 reporting period (respectively, the "August Net Tax Refund" and the "August GST/HST Return") and its decision to not pay the August Net Tax Refund and subsequent net tax refunds claimed or to be claimed by the Applicant in its future GST/HST returns (respectively, the "Subsequent Net Tax Refunds" and the "Subsequent GST/HST Returns"), pending the Respondent's completion of a GST/HST audit (the "Decision").

2. The Decision was made and communicated to the Applicant verbally on November 6, 2018 by the Respondent (namely, Ms. Jaclyn Bartlett) and further confirmed in written correspondence dated November 26, 2018.

Relief Sought

3. The Applicant makes application for:
 - i. An Order in the nature of *mandamus* requiring the Respondent to pay the August Net Tax Refund forthwith, pursuant to ss. 18 and 18.1 of the *Federal Courts Act* and s. 229 of the *Act*;

- ii. An Order in the nature of *mandamus* requiring the Respondent to pay the Subsequent Net Tax Refunds that have been claimed by the Applicant at the time of the hearing of this application forthwith, pursuant to ss. 18 and 18.1 of the *Federal Courts Act* and s. 229 of the *Act*;
- iii. An Order in the nature of *certiorari* quashing the Decision, pursuant to ss. 18 and 18.1 of the *Federal Courts Act* and s. 229 of the *Act*;
- iv. an order for the costs of this application; and
- v. such further relief as the Applicant may advise and this Honourable Court permits.

Grounds for Relief Sought

4. The grounds for the application are:

- i. the Applicant is a family-operated business, which facilitates the refining of precious metals and is a corporation duly incorporated under the laws of Ontario;
- ii. the Applicant is registered for GST/HST purposes and is a "registrant" for purposes of Part IX of the *Act*;
- iii. the Applicant's GST/HST returns are due to be filed on a monthly basis;
- iv. the Applicant typically claims net tax refunds in its GST/HST returns pursuant to subs. 228(3) of the *Act*;
- v. The net tax refunds claimed by the Applicant in its monthly GST/HST returns are payable by the Respondent to the Applicant "with all due dispatch" after each return is filed pursuant to subs. 229(1) of the *Act*;

- vi. the Applicant has been the subject of over 14 years of constant information requests and intensive audit activity by the Respondent;
- vii. the Applicant has at all times cooperated with the Respondent with respect to such information requests and audit activity, and has repeatedly demonstrated a history of compliance with its obligations under the *Act*;
- viii. the Respondent has a history of withholding net tax refunds claimed by the Applicant in its GST/HST returns for prolonged periods, without reasonable justification;
- ix. the Applicant filed the August GST/HST Return on September 6, 2018, claiming the August Net Tax Refund of \$9,128,196.67;
- x. the Applicant has provided the Respondent with sufficient information and documentation to confirm that the August Net Tax Refund is payable pursuant to s. 229 of the *Act*;
- xi. the Respondent has not issued a Notice of (Re)Assessment to the Applicant pursuant to subs. 296(1) of the Act in respect of the August 1-31 2018 reporting period or any subsequent reporting periods;
- xii. on November 6, 2018, the Respondent (namely, Ms. Jaclyn Bartlett) verbally communicated to EGR's principal the Respondent's Decision to not pay the August Net Tax Refund nor the Subsequent Net Tax Refunds to the Applicant, pending completion of a full scale GST/HST audit;
- xiii. the Respondent confirmed in a November 26, 2018 letter that the Respondent will not pay the August Net Tax Refund claimed, nor the Subsequent Net Tax Refunds to be claimed by the Applicant, for the duration of its full scale GST/HST audit;

- xiv. the Applicant relies on net tax refunds claimed in its GST/HST returns to conduct its business and the Respondent's Decision and failure to pay the August Net Tax Refund and Subsequent Net Tax Refunds has caused and will continue to cause the Applicant to experience severe economic hardship;
- xv. the Respondent has acted contrary to law, without jurisdiction and/or refused to exercise her jurisdiction by failing to pay the August Net Tax Refund to the Applicant with all due dispatch as required by s. 229 of the *Act*;
- xvi. the Respondent has acted contrary to law, without jurisdiction and/or refused to exercise her jurisdiction by failing to pay the Subsequent Net Tax Refunds to the Applicant with all due dispatch as required by s. 229 of the *Act*;
- xvii. the Respondent has acted unreasonably in deciding that it will not pay, and in fact not paying, the August Net Tax Refund until a full scale GST/HST audit is completed, as the Respondent currently has information demonstrating that the August Net Tax Refund is payable to the Applicant;
- xviii. the Respondent has acted unreasonably in deciding that it will not pay the Subsequent Net Tax Refunds until a full scale GST/HST audit is completed, as the Respondent currently has or will have information demonstrating that the Subsequent Net Tax Refunds are payable to the Applicant, prior to completion of a full scale GST/HST audit;
- xix. the Respondent's failure to pay the August Net Tax Refund has caused and is causing great hardship and irreparable harm to the Applicant and there is no other relief available to the Applicant; and

- xx. the Respondent's failure to pay the Subsequent Net Tax Refunds will cause great hardship and irreparable harm to the Applicant and there is no other relief available to the Applicant.

Supporting Material

- 5. This application will be supported by the following material:
 - i. affidavit of Atef Salama and exhibits thereto;
 - ii. transcripts of the cross-examination of the Respondent's witnesses, if any;
 - iii. materials in the Respondent's possession but not in the Applicant's possession;
and
 - iv. such further evidence as the Applicant may advise and this Honourable Court permits.

Rule 317 Request

- 6. The Applicant requests that the Respondent send a certified copy of the following material, which is not in the possession of the Applicant but is in the Respondent's possession, to the Applicant and to the Registry as soon as possible, and in any event, within 20 days allowed pursuant to rule 317 of the *Federal Courts Rules*:
 - i. all materials that are or were in the possession of the Respondent that were considered by the Respondent in the course of the Respondent's consideration of the Applicant's August GST/HST Return and the Respondent's Decision to refuse to pay the August Net Tax Refund and Subsequent Net Tax Refunds to the Applicant, pending the completion of a full scale GST/HST audit.

Dated December 6, 2018



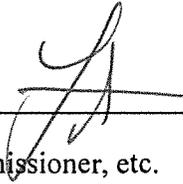
BAKER & MCKENZIE LLP
Brookfield Place, Suite 2100
181 Bay Street, PO Box 874
Toronto, Ontario
M5J 2T3

Jacques Bernier/Amit Ummat
Tel: (416) 865-6903
Fax: (416) 863-6275

Counsel for the Applicant

2992718-v2\TORDMS

This is **Exhibit "X"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE ABULUYAN', written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R



July 9, 2019

Express Gold Refining Ltd.
Attn: Atef Salama
400 – 215 Victoria St.
Toronto ON M5B 1T9

Dear Atef Salama:

**Subject: Audit of the goods and services tax/harmonized sales tax
(GST/HST) returns for the period 2016-06-01 to 2019-05-31
Business Number: 13855 7095 RT0001**

The audit of your GST/HST account has been expanded to include all reporting periods up to the reporting period ended May 31, 2019.

In order to continue our audit we require additional information about your business. A Computer Audit Specialist will contact you shortly to obtain a copy of your electronic accounting data for the additional reporting periods (November 1, 2018 to May 31, 2019). The data must include all transactions for the additional reporting periods under audit.

The records must be provided in an electronically readable format pursuant to subsection 286(3.1) of the Excise Tax Act so that the Canada Revenue Agency may make, or cause to be made, a copy of these electronic records pursuant to subsection 291(1) of the Act.

Please also provide the following documents pertaining to the additional reporting periods under audit:

1. Copies of the GST/HST returns and all backup documentation, including working papers reconciling GST/HST returns to the records.
2. All bank statements for all accounts, cancelled cheques, duplicate deposit slips, wire payment confirmations, and deposit books.
3. All credit card statements, line of credit statements and loan/mortgage documents, including the repayment schedules and the purpose of the loans.
4. All sales invoices and sales records including, but not limited to; invoices, point of sale reports, sales reconciliation, shipping records, quotes, estimates, contracts, and agreements.
5. All purchase and expense invoices supporting input tax credits including, but not limited to; assay reports, settlement reports, vendor purchase invoices, quotes, estimates, contracts, and agreements.

6. All shipping/receiving documents related to secured couriers.
7. All "know your customer" information for any new suppliers since November 1, 2018.
8. All documents pertaining to your transactions with Asahi Refining Canada including, but not limited to; assay certificates, invoice and metal credit statements, records of all bullion sales and purchases, records of all transfers to and from your trading accounts, contracts, agreements, and correspondence.
9. All documents pertaining to your transactions with the Royal Canadian Mint including, but not limited to; assay certificates, invoice and metal credits, records of all bullion sales and purchases, contracts, agreements, and correspondence.

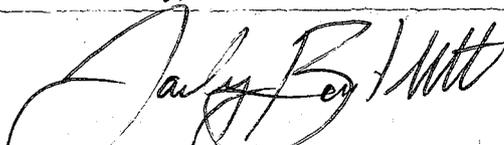
You can send documents electronically through My Business Account. If you are registered for My Business Account and choose to send documents using this option, please use this case number: **34690331**. You will find the submit documents choice on the left side bar once you have logged into your account.

You can also send us information by fax to 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
Saskatchewan Tax Services Office
Attention: Jaclyn Bartlett
6th Floor
340 3rd Avenue North
Saskatoon SK S7K 0A8

If you have any questions, please call me at **306-975-4692** or at **1-855-427-5240**, extension **306-975-4692**. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,



Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

This is **Exhibit "Y"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R

Sudbury ON P3A 5C1

EXPRESS GOLD REFINING LTD
 C/O ATEF SALAMA
 400 - 215 VICTORIA ST
 TORONTO ON M5B 1T9

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004604

**NOTICE OF (RE)ASSESSMENT
 GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

RESULTS

This notice explains the results of our audit (re)assessment of return(s) you have or may have previously filed. Please refer to the "Summary of (Re)Assessment" for the specific period(s) covered.

Result of this (Re)Assessment	\$	13,553,885.03
Prior Balance	\$	0.00
		=====
Total Balance	\$	13,553,885.03

Payments will not appear on this notice of assessment if we have not processed your payment yet. If you have already paid the balance owing, please ignore this message and accept our thanks.

To see the latest account information, including payment transactions, go to canada.ca/my-cra-business-account on the CRA's website.

We may take legal action to collect debts that are not paid voluntarily.

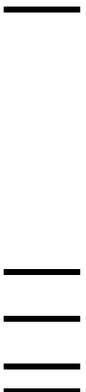
Need to make a payment? Pre-authorized debit is now available for businesses. At your convenience, a pre-authorized debit agreement can be set up using the CRA's My Business Account service. For more information on payment options, go to canada.ca/payments.

Please keep this Notice of (Re)Assessment for your records.

For more information, phone or write to:

Toronto Centre Tax Services
 1 Front Street West
 Toronto ON M5J 2X6
 Toll free number 1-800-959-5525 (Canada and United States)

Bob Hamilton
 Commissioner of Revenue





EXPRESS GOLD REFINING LTD

Page 2 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/06/01 To: 2016/06/30

Reference Number: 16210000532360775

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,221,450.67 Cr	\$	2,283,633.87 Cr	\$	62,183.20 Cr
Section 285 Penalty	\$ 0.00	\$	250.00	\$	250.00
			Net Adjustment	\$	61,933.20 Cr
Interest and Penalty				\$	63.10 Cr
Refund Interest				\$	61,996.30 Cr
			Result of (Re)Assessment	\$	61,996.30 Cr

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

The amount of refund interest shown is calculated up to the date of disbursement. This amount is taxable and must be reported on your income tax return in the reporting period you receive it.

EXPRESS GOLD REFINING LTD

Page 3 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004605

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/07/01 To: 2016/07/31

Reference Number: 16229000332360718

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 2,375,524.81 Cr	\$ 2,375,321.61 Cr	\$ 203.20
			=====
			\$ 203.20
			Result of (Re)Assessment

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.



EXPRESS GOLD REFINING LTD

Page 4 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/08/01 To: 2016/08/31

Reference Number: 16253000232360096

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 2,481,091.49 Cr	\$ 2,477,870.58 Cr	\$ 3,220.91
Section 285 Penalty	\$ 0.00	\$ 805.22	\$ 805.22
		Net Adjustment	\$ 4,026.13
		Result of (Re)Assessment	\$ 4,026.13

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

EXPRESS GOLD REFINING LTD

Page 5 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004606

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/09/01 To: 2016/09/30

Reference Number: 16280000232360854

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 2,430,081.17 Cr	\$ 2,347,821.90 Cr	\$ 82,259.27
Section 285 Penalty	\$ 0.00	\$ 20,564.81	\$ 20,564.81
		Net Adjustment	\$ 102,824.08
Interest and Penalty			\$ 5,997.04
Arrears Interest			\$ 5,997.04
		Result of (Re)Assessment	\$ 108,821.12

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Page 6 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/10/01 To: 2016/10/31

Reference Number: 16313000332360184

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,447,802.60 Cr	\$	2,322,045.20 Cr	\$	125,757.40
Section 285 Penalty	\$ 0.00	\$	31,439.35	\$	31,439.35
			Net Adjustment	\$	157,196.75
Interest and Penalty				\$	24,790.73
Arrears Interest				\$	24,790.73
			Result of (Re)Assessment	\$	181,987.48

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Page 8 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/12/01 To: 2016/12/31

Reference Number: 17013000232360663

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,611,730.24 Cr	\$	2,499,291.97 Cr	\$	112,438.27
Section 285 Penalty	\$ 0.00	\$	28,109.56	\$	28,109.56
			Net Adjustment	\$	140,547.83
Interest and Penalty				\$	20,557.43
Arrears Interest				\$	20,557.43
			Result of (Re)Assessment	\$	161,105.26

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Page 10 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/02/01 To: 2017/02/28

Reference Number: 17079000232360072

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 3,645,321.28 Cr	\$	3,497,275.82 Cr	\$	148,045.46
Section 285 Penalty	\$ 0.00	\$	37,011.36	\$	37,011.36
			Net Adjustment	\$	185,056.82
Interest and Penalty				\$	25,435.15
Arrears Interest				\$	25,435.15
			Result of (Re)Assessment	\$	210,491.97

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

EXPRESS GOLD REFINING LTD

Page 11 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004609

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/03/01 To: 2017/03/31

Reference Number: 17096000332360726

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 4,260,129.59 Cr	\$ 4,160,068.83 Cr	\$ 100,060.76
Section 285 Penalty	\$ 0.00	\$ 25,015.19	\$ 25,015.19
		Net Adjustment	\$ 125,075.95
Interest and Penalty			\$ 16,747.50
Arrears Interest			\$ 16,747.50
		Result of (Re)Assessment	\$ 141,823.45

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/04/01 To: 2017/04/30

Reference Number: 17124000332360397

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 4,337,545.21 Cr	\$	4,309,559.46 Cr	\$	27,985.75
Section 285 Penalty	\$ 0.00	\$	6,996.43	\$	6,996.43
			Net Adjustment	\$	34,982.18
Interest and Penalty				\$	4,537.65
Arrears Interest				\$	4,537.65
			Result of (Re)Assessment	\$	39,519.83

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.



EXPRESS GOLD REFINING LTD

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Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004610

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/05/01 To: 2017/05/31

Reference Number: 17159000232360099

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 5,284,415.66 Cr	\$ 5,255,463.33 Cr	\$ 28,952.33
Section 285 Penalty	\$ 0.00	\$ 7,238.08	\$ 7,238.08
		Net Adjustment	\$ 36,190.41
Interest and Penalty			\$ 4,504.39
Arrears Interest			\$ 4,504.39
		Result of (Re)Assessment	\$ 40,694.80

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

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EXPRESS GOLD REFINING LTD

Page 14 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/06/01 To: 2017/06/30

Reference Number: 17194000332360585

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 4,596,200.10 Cr	\$ 4,607,127.14 Cr	\$ 10,927.04 Cr
Section 285 Penalty	\$ 0.00	\$ 250.00	\$ 250.00
		Net Adjustment	\$ 10,677.04 Cr
		Result of (Re)Assessment	\$ 10,677.04 Cr

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

EXPRESS GOLD REFINING LTD

Page 15 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004611

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/07/01 To: 2017/07/31

Reference Number: 17222000232360547

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 3,458,823.17 Cr	\$ 3,294,462.99 Cr	\$ 164,360.18
Section 285 Penalty	\$ 0.00	\$ 41,090.04	\$ 41,090.04
		Net Adjustment	\$ 205,450.22
Interest and Penalty			\$ 23,592.31
Arrears Interest			\$ 23,592.31
		Result of (Re)Assessment	\$ 229,042.53

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Page 16 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/08/01 To: 2017/08/31

Reference Number: 17251000232360329

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 5,337,096.30 Cr	\$	5,151,834.11 Cr	\$	185,262.19
Section 285 Penalty	\$ 0.00	\$	46,315.54	\$	46,315.54
			Net Adjustment	\$	231,577.73
Interest and Penalty				\$	25,562.04
Arrears Interest				\$	25,562.04
			Result of (Re)Assessment	\$	257,139.77

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Page 17 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004612

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/09/01 To: 2017/09/30

Reference Number: 17279000232360878

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 5,880,429.23 Cr	\$ 5,553,268.63 Cr	\$ 327,160.60
Section 285 Penalty	\$ 0.00	\$ 81,790.15	\$ 81,790.15
		Net Adjustment	\$ 408,950.75
Interest and Penalty			\$ 1.15
Refund Interest			\$ 43,307.82
Arrears Interest			
		Result of (Re)Assessment	\$ 452,259.72

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

The amount of refund interest shown is a debit adjustment to interest that we previously paid to you. You can deduct this amount from your income in the reporting period you pay it.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Page 18 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/10/01 To: 2017/10/31

Reference Number: 17311000232360947

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 6,866,554.82 Cr	\$	6,551,174.21 Cr	\$	315,380.61
Section 285 Penalty	\$ 0.00	\$	78,845.15	\$	78,845.15
			Net Adjustment	\$	394,225.76
Interest and Penalty				\$	39,730.43
Arrears Interest				\$	433,956.19
			Result of (Re)Assessment	\$	433,956.19

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

EXPRESS GOLD REFINING LTD

Page 19 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004613

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/11/01 To: 2017/11/30

Reference Number: 17342000232360814

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 6,247,416.70 Cr	\$ 5,617,118.52 Cr	\$ 630,298.18
Section 285 Penalty	\$ 0.00	\$ 157,574.54	\$ 157,574.54
		Net Adjustment	\$ 787,872.72
Interest and Penalty			\$ 74,380.06
Arrears Interest			\$ 74,380.06
		Result of (Re)Assessment	\$ 862,252.78

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/12/01 To: 2017/12/31

Reference Number: 18009000132360858

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 3,572,947.39 Cr	\$	3,149,383.24 Cr	\$	423,564.15
Section 285 Penalty	\$ 0.00	\$	105,891.03	\$	105,891.03
					=====
			Net Adjustment	\$	529,455.18
Interest and Penalty				\$	48,747.16
Arrears Interest				\$	48,747.16
					=====
			Result of (Re)Assessment	\$	578,202.34

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Page 21 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004614

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/01/01 To: 2018/01/31

Reference Number: 18039000232360241

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 6,369,341.10 Cr	\$ 5,475,346.98 Cr	\$ 893,994.12
Section 285 Penalty	\$ 0.00	\$ 223,498.53	\$ 223,498.53
		Net Adjustment	\$ 1,117,492.65
Interest and Penalty			\$ 97,550.25
Arrears Interest			\$ 97,550.25
		Result of (Re)Assessment	\$ 1,215,042.90

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Page 22 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/02/01 To: 2018/02/28

Reference Number: 18068000232360252

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 7,666,962.47 Cr	\$	6,454,163.15 Cr	\$	1,212,799.32
Section 285 Penalty	\$ 0.00	\$	303,199.83	\$	303,199.83
					=====
			Net Adjustment	\$	1,515,999.15
Interest and Penalty				\$	125,712.81
Arrears Interest				\$	125,712.81
					=====
			Result of (Re)Assessment	\$	1,641,711.96

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

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Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004615

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/03/01 To: 2018/03/31

Reference Number: 18094000332360575

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 8,631,688.25 Cr	\$ 7,997,175.15 Cr	\$ 634,513.10
Section 285 Penalty	\$ 0.00	\$ 158,628.27	\$ 158,628.27
		Net Adjustment	\$ 793,141.37
Interest and Penalty			\$ 62,182.87
Arrears Interest			\$ 62,182.87
		Result of (Re)Assessment	\$ 855,324.24

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/04/01 To: 2018/04/30

Reference Number: 18124000232360555

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 7,019,049.53 Cr	\$	6,181,111.39 Cr	\$	837,938.14
Section 285 Penalty	\$ 0.00	\$	209,484.53	\$	209,484.53
					=====
			Net Adjustment	\$	1,047,422.67
Interest and Penalty				\$	76,525.67
Arrears Interest				\$	76,525.67
					=====
			Result of (Re)Assessment	\$	1,123,948.34

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

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Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004616

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/05/01 To: 2018/05/31

Reference Number: 18165000332360498

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 9,034,754.80 Cr	\$ 7,767,634.16 Cr	\$ 1,267,120.64
Section 285 Penalty	\$ 0.00	\$ 316,780.16	\$ 316,780.16
		Net Adjustment	\$ 1,583,900.80
Interest and Penalty			\$ 102,363.58
Arrears Interest			\$ 102,363.58
		Result of (Re)Assessment	\$ 1,686,264.38

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Page 26 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/06/01 To: 2018/06/30

Reference Number: 18194000232360167

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 8,290,188.17 Cr	\$	6,876,954.64 Cr	\$	1,413,233.53
Section 285 Penalty	\$ 0.00	\$	353,308.38	\$	353,308.38
					=====
			Net Adjustment	\$	1,766,541.91
Interest and Penalty				\$	108,179.81
Arrears Interest				\$	108,179.81
					=====
			Result of (Re)Assessment	\$	1,874,721.72

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Page 27 of 27

Date	July 22, 2019
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-07-31

0004617

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/07/01 To: 2018/07/31

Reference Number: 18225000232360711

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 6,923,029.15 Cr	\$ 6,114,097.26 Cr	\$ 808,931.89
Section 285 Penalty	\$ 0.00	\$ 202,232.97	\$ 202,232.97
		Net Adjustment	\$ 1,011,164.86
Interest and Penalty			\$ 54,258.96
Arrears Interest			\$ 54,258.96
		Result of (Re)Assessment	\$ 1,065,423.82

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We have imposed the section 285 penalty pursuant to Part IX of the "Excise Tax Act."

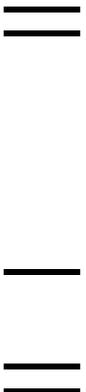
The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

GENERAL INFORMATION

For more information on Notices of (Re)Assessment, and your objection and appeal rights, see Guide RC4022, General Information for GST/HST Registrants, or visit canada.ca/revenue-agency. To prevent unnecessary delays when you correspond with us, please provide your Business Number.



This is **Exhibit "Z"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R



July 17, 2019

Express Gold Refining Ltd.
Attn: Atef Salama
400 – 215 Victoria St.
Toronto ON M5B 1T9

Dear Atef Salama:

**Subject: Audit of the goods and services tax/harmonized sales tax
(GST/HST) returns for the period 2016-06-01 to 2018-07-31
Business Number: 13855 7095 RT0001**

We have completed a reassessment of the GST/HST returns for the above period and have made the adjustments shown on the enclosed Summary of Adjustments and corresponding schedules. Please note that the periods remain under audit and subsequent (re)assessment(s) may be issued for the same reporting periods.

Section 285 of the Excise Tax Act provides for the levying of a penalty in cases where a registrant knowingly, or in circumstances amounting to gross negligence, participates in or makes a false statement or omission in a return, form, certificate, statement or answer. This penalty is the greater of \$250 and 25% of the net tax change for each period in which the false statement(s) or omission(s) occurred.

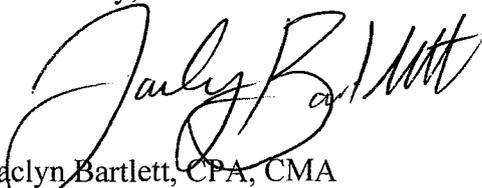
Based on the results of this audit, we are applying penalties in respect of the changes to net tax in all periods in which Input Tax Credits (ITCs) were denied. Some of the factors considered in applying these penalties include:

- The registrant has sufficient knowledge of taxable supplies and the resources available to determine obligations and liabilities under the Excise Tax Act.
- ITCs totalling \$10,028,332.27 were claimed based on invoices from 10 different suppliers where no supply of scrap gold was made.
- The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations.

You have the right to object to (re)assessments of the GST/HST. The time limit for filing an objection is 90 days from the date on the notice of (re)assessment. For more information or to get the notice of objection form, go to canada.ca/cra-complaints-disputes.

If you have any questions, please call me at **306-975-4692** or at **1-855-427-5240**, extension **306-975-4692**. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,

A handwritten signature in black ink, appearing to read "Jaclyn Bartlett". The signature is written in a cursive style with a large initial "J".

Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Enclosures

Summary of Adjustments

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	Reconciliation (Schedule A)	ITCs* Denied (Schedule B) - Note 1	Total Adjustments
2016-06-30	\$ (98,421.74)	\$ 36,238.54	\$ (62,183.20)
2016-07-31	203.20	-	203.20
2016-08-31	(22,089.96)	25,310.87	3,220.91
2016-09-30	(15,688.58)	97,947.85	82,259.27
2016-10-31	4,946.71	120,810.69	125,757.40
2016-11-30	9,319.98	27,340.93	36,660.91
2016-12-31	161.04	112,277.23	112,438.27
2017-01-31	8,437.12	278,975.49	287,412.61
2017-02-28	72,551.21	75,494.25	148,045.46
2017-03-31	-	100,060.76	100,060.76
2017-04-30	84.50	27,901.25	27,985.75
2017-05-31	(33,887.85)	62,840.18	28,952.33
2017-06-30	(56,883.47)	45,956.43	(10,927.04)
2017-07-31	66,837.56	97,522.62	164,360.18
2017-08-31	(366.28)	185,628.47	185,262.19
2017-09-30	3,355.14	323,805.46	327,160.60
2017-10-31	(2,894.73)	318,275.34	315,380.61
2017-11-30	19,591.38	610,706.80	630,298.18
2017-12-31	-	423,564.15	423,564.15
2018-01-31	-	893,994.12	893,994.12
2018-02-28	-	1,212,799.32	1,212,799.32
2018-03-31	(114,657.53)	749,170.63	634,513.10
2018-04-30	114,657.53	723,280.61	837,938.14
2018-05-31	(416.80)	1,267,537.44	1,267,120.64
2018-06-30	416.80	1,412,816.73	1,413,233.53
2018-07-31	10,855.78	798,076.11	808,931.89
	\$ (33,888.99)	\$ 10,028,332.27	\$ 9,994,443.28

* Input Tax Credits

Section 285 Penalty- Schedule C

\$ 2,517,337.60

Note 1:

Only periods with an adjustment on Schedule B were considered in the calculation of section 285 penalties on Schedule C. As a result no penalty has been levied on the period ended 2016-07-31.

Schedule A - Reconciliation Adjustments

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	ITCs per Books and Records	ITCs as Filed (Line 108)	Decrease (Increase) to ITCs
2016-06-30	\$ 2,327,098.08	\$ 2,228,676.34	\$ (98,421.74)
2016-07-31	2,400,561.92	2,400,765.12	203.20
2016-08-31	2,506,040.89	2,483,950.93	(22,089.96)
2016-09-30	2,450,507.76	2,434,819.18	(15,688.58)
2016-10-31	2,446,055.84	2,451,002.55	4,946.71
2016-11-30	2,982,792.59	2,992,112.57	9,319.98
2016-12-31	2,630,067.56	2,630,228.60	161.04
2017-01-31	4,040,645.05	4,049,082.17	8,437.12
2017-02-28	3,576,568.67	3,649,119.88	72,551.21
2017-03-31	4,268,011.71	4,268,011.71	-
2017-04-30	4,340,798.79	4,340,883.29	84.50
2017-05-31	5,345,412.79	5,311,524.94	(33,887.85)
2017-06-30	4,660,863.89	4,603,980.42	(56,883.47)
2017-07-31	3,396,963.79	3,463,801.35	66,837.56
2017-08-31	5,346,299.49	5,345,933.21	(366.28)
2017-09-30	5,882,070.20	5,885,425.34	3,355.14
2017-10-31	6,876,534.37	6,873,639.64	(2,894.73)
2017-11-30	6,238,839.63	6,258,431.01	19,591.38
2017-12-31	3,598,329.08	3,598,329.08	-
2018-01-31	6,372,698.37	6,372,698.37	-
2018-02-28	7,672,843.60	7,672,843.60	-
2018-03-31	8,751,569.07	8,636,911.54	(114,657.53)
2018-04-30	6,907,279.63	7,021,937.16	114,657.53
2018-05-31	9,044,211.67	9,043,794.87	(416.80)
2018-06-30	8,292,087.78	8,292,504.58	416.80
2018-07-31	6,914,332.44	6,925,188.22	10,855.78
	\$ 129,269,484.66	\$ 129,235,595.67	\$ (33,888.99)
			To Summary

The ITCs claimed on your return are different from your books and records. We have adjusted the ITCs to match the amount recorded in your books and records, per subsections 225(1) of the Excise Tax Act.

Schedule B - ITCs Denied

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	ITCs Denied
2016-06-30	\$ 36,238.54
2016-07-31	-
2016-08-31	25,310.87
2016-09-30	97,947.85
2016-10-31	120,810.69
2016-11-30	27,340.93
2016-12-31	112,277.23
2017-01-31	278,975.49
2017-02-28	75,494.25
2017-03-31	100,060.76
2017-04-30	27,901.25
2017-05-31	62,840.18
2017-06-30	45,956.43
2017-07-31	97,522.62
2017-08-31	185,628.47
2017-09-30	323,805.46
2017-10-31	318,275.34
2017-11-30	610,706.80
2017-12-31	423,564.15
2018-01-31	893,994.12
2018-02-28	1,212,799.32
2018-03-31	749,170.63
2018-04-30	723,280.61
2018-05-31	1,267,537.44
2018-06-30	1,412,816.73
2018-07-31	798,076.11
	\$ 10,028,332.27
	To Summary

It has been determined that 2276230 Ontario Inc., 2344967 Ontario Inc., 2462300 Ontario Inc., 2578202 Ontario Inc., 2602265 Ontario Inc., 8958238 Canada Inc., 9437690 Canada Inc., Gold & Silver Inc., MC Gold & Refining Inc., and Victoria Gold Inc. did not make supplies of scrap gold to Express Gold Refining. Audit has concluded that the invoices showing purported supplies are elements in a sham (See Schedule D).

As there is no supply made by these vendors, there are no amounts that are eligible to be claimed as ITCs on the invoices bearing the names of these vendors. All amounts relating to the invoices bearing the names and registration numbers of 2276230 Ontario Inc.,

2344967 Ontario Inc., 2462300 Ontario Inc., 2578202 Ontario Inc., 2602265 Ontario Inc., 8958238 Canada Inc., 9437690 Canada Inc., Gold & Silver Inc., MC Gold & Refining Inc., and Victoria Gold Inc. are denied in the period in which they were claimed. These amounts are denied under subsection 169(1) of the Excise Tax Act.

Additionally, while the invoices appear to meet all of the documentary requirements, the transactions shown on those invoices have been shown to be elements in the creation of a sham (see Schedule D). As the legal rights and obligations shown on the documents provided are different from the legal rights and obligations (if any) that exist, the requirements of subsection 169(4) are not met.

Posting Date	Vendor Name	Description	ITC Denied
2016-06-29	Victoria Gold Inc.	Settlement SET11989	\$ 36,304.97
2016-06-29	Victoria Gold Inc.	Settlement SET11990	36,238.54
2016-06-29	Victoria Gold Inc.	RCredit for SET11989	(36,304.97)
	Total for Period Ended	2016-06-30	\$ 36,238.54
2016-08-09	Victoria Gold Inc.	Settlement SET12438	\$ 25,310.87
	Total for Period Ended	2016-08-30	\$ 25,310.87
2016-09-08	Gold & Silver Inc.	Settlement SET12723	\$ 2,122.90
2016-09-09	Gold & Silver Inc.	Settlement SET12734	5,121.61
2016-09-14	Gold & Silver Inc.	Settlement SET12778	10,279.75
2016-09-15	Gold & Silver Inc.	Settlement SET12799	13,717.73
2016-09-16	Gold & Silver Inc.	Settlement SET12809	6,246.50
2016-09-19	Gold & Silver Inc.	Settlement SET12826	8,167.12
2016-09-22	Gold & Silver Inc.	Settlement SET12878	14,715.48
2016-09-23	Gold & Silver Inc.	Settlement SET12898	6,918.47
2016-09-26	Gold & Silver Inc.	Settlement SET12920	15,592.98
2016-09-30	Gold & Silver Inc.	Settlement SET12974	15,065.31
	Total for Period Ended	2016-09-30	\$ 97,947.85
2016-10-03	Gold & Silver Inc.	Settlement SET12989	\$ 12,571.78
2016-10-07	Gold & Silver Inc.	Settlement SET13032	14,266.33
2016-10-12	Gold & Silver Inc.	Settlement SET13051	14,067.95
2016-10-17	Gold & Silver Inc.	Settlement SET13100	15,146.43
2016-10-20	Gold & Silver Inc.	Settlement SET13144	14,931.15
2016-10-24	Gold & Silver Inc.	Settlement SET13190	14,001.00
2016-10-27	Gold & Silver Inc.	Settlement SET13231	14,371.89
2016-10-31	Gold & Silver Inc.	Settlement SET13253	21,454.16
	Total for Period Ended	2016-10-31	\$ 120,810.69

Posting Date	Vendor Name	Description	ITC Denied
2016-11-10	Gold & Silver Inc.	Settlement SET13399	\$ 27,340.93
	Total for Period Ended	2016-11-30	\$ 27,340.93
2016-12-02	Gold & Silver Inc.	Settlement SET13609	\$ 13,265.20
2016-12-06	Gold & Silver Inc.	Settlement SET13626	12,688.00
2016-12-09	Gold & Silver Inc.	Settlement SET13664	19,748.30
2016-12-13	Gold & Silver Inc.	Settlement SET13684	13,531.70
2016-12-15	Gold & Silver Inc.	Settlement SET13699	20,136.35
2016-12-20	Gold & Silver Inc.	Settlement SET13728	18,503.68
2016-12-22	Gold & Silver Inc.	Settlement SET13745	14,404.00
	Total for Period Ended	2016-12-31	\$ 112,277.23
2017-01-04	2344967 Ontario Inc.	Settlement SET13799	\$ 28,288.79
2017-01-05	Gold & Silver Inc.	Settlement SET13806	19,906.25
2017-01-06	2344967 Ontario Inc.	Settlement SET13818	16,904.62
2017-01-10	Gold & Silver Inc.	Settlement SET13838	19,972.70
2017-01-11	2344967 Ontario Inc.	Settlement SET13856	19,502.15
2017-01-12	Gold & Silver Inc.	Settlement SET13860	20,345.00
2017-01-16	2344967 Ontario Inc.	Settlement SET13882	39,631.02
2017-01-17	2462300 Ontario Inc.	Settlement SET13894	32,395.35
2017-01-18	Gold & Silver Inc.	Settlement SET13900	13,500.63
2017-01-25	2462300 Ontario Inc.	Settlement SET13959	38,265.11
2017-01-27	Gold & Silver Inc.	Settlement SET13974	10,301.85
2017-01-30	Gold & Silver Inc.	Settlement SET13983	19,962.02
	Total for Period Ended	2017-01-31	\$ 278,975.49
2017-02-06	Gold & Silver Inc.	Settlement SET14022	\$ 19,724.25
2017-02-09	Gold & Silver Inc.	Settlement SET14060	19,212.70
2017-02-14	Gold & Silver Inc.	Settlement SET14106	15,647.45
2017-02-27	Gold & Silver Inc.	Settlement SET14183	20,909.85
	Total for Period Ended	2017-02-28	\$ 75,494.25
2017-03-02	Gold & Silver Inc.	Settlement SET14222	\$ 19,890.13
2017-03-13	Gold & Silver Inc.	Settlement SET14316	20,536.25
2017-03-16	Gold & Silver Inc.	Settlement SET14346	15,076.49
2017-03-21	Gold & Silver Inc.	Settlement SET14396	14,018.55
2017-03-28	Gold & Silver Inc.	Settlement SET14488	16,111.29
2017-03-31	Gold & Silver Inc.	Settlement SET14531	14,428.05
	Total for Period Ended	2017-03-31	\$ 100,060.76
2017-04-06	Gold & Silver Inc.	Settlement SET14612	\$ 9,655.75
2017-04-24	Gold & Silver Inc.	Settlement SET14804	18,245.50
	Total for Period Ended	2017-04-30	\$ 27,901.25

<u>Posting Date</u>	<u>Vendor Name</u>	<u>Description</u>	<u>ITC Denied</u>
2017-05-02	Gold & Silver Inc.	Settlement SET14907	\$ 17,215.25
2017-05-09	Gold & Silver Inc.	Settlement SET14981	15,096.25
2017-05-23	Gold & Silver Inc.	Settlement SET15133	8,764.60
2017-05-30	Gold & Silver Inc.	Settlement SET15199	21,764.08
	Total for Period Ended	2017-05-31	\$ 62,840.18
2017-06-02	Gold & Silver Inc.	Settlement SET15244	\$ 14,642.03
2017-06-19	Gold & Silver Inc.	Settlement SET15413	15,509.65
2017-06-27	Gold & Silver Inc.	Settlement SET15518	15,804.75
	Total for Period Ended	2017-06-30	\$ 45,956.43
2017-07-28	Victoria Gold Inc.	Settlement SET15842	\$ 65,192.27
2017-07-31	Victoria Gold Inc.	Settlement SET15861	32,330.35
	Total for Period Ended	2017-07-31	\$ 97,522.62
2017-08-02	Gold & Silver Inc.	Settlement SET15900	\$ 18,375.50
2017-08-10	Victoria Gold Inc.	Settlement SET15989	42,076.97
2017-08-16	Gold & Silver Inc.	Settlement SET16061	6,835.40
2017-08-16	Victoria Gold Inc.	Settlement SET16064	33,676.80
2017-08-23	Gold & Silver Inc.	Settlement SET16147	13,494.91
2017-08-28	Victoria Gold Inc.	Settlement SET16202	2,080.78
2017-08-28	Victoria Gold Inc.	Settlement SET16204	27,137.76
2017-08-30	Gold & Silver Inc.	Settlement SET16243	14,881.10
2017-08-30	Victoria Gold Inc.	Settlement SET16240	27,069.25
	Total for Period Ended	2017-08-31	\$ 185,628.47
2017-09-01	2276230 Ontario Inc.	Invoice 110513	\$ 162,357.75
2017-09-06	Gold & Silver Inc.	Settlement SET16329	6,217.51
2017-09-11	Victoria Gold Inc.	Settlement SET16378	27,181.05
2017-09-12	Victoria Gold Inc.	Settlement SET16396	1,194.83
2017-09-13	Gold & Silver Inc.	Settlement SET16415	24,308.05
2017-09-15	Victoria Gold Inc.	Settlement SET16465	767.91
2017-09-19	Gold & Silver Inc.	Settlement SET16492	16,282.50
2017-09-28	2276230 Ontario Inc.	Settlement SET16623	85,495.86
	Total for Period Ended	2017-09-30	\$ 323,805.46
2017-10-02	2276230 Ontario Inc.	Settlement SET16644	\$ 64,834.58
2017-10-04	2276230 Ontario Inc.	Settlement SET16698	64,728.91
2017-10-05	Gold & Silver Inc.	Settlement SET16701	5,679.05
2017-10-26	2276230 Ontario Inc.	Settlement SET16979	81,157.77
2017-10-31	2276230 Ontario Inc.	Settlement SET17068	101,875.03
	Total for Period Ended	2017-10-31	\$ 318,275.34

Posting Date	Vendor Name	Description	ITC Denied
2017-11-03	Gold & Silver Inc.	Settlement SET17107	\$ 11,622.00
2017-11-09	2602265 Ontario Inc.	Invoice 110857	26,139.53
2017-11-10	Victoria Gold Inc.	Settlement SET17199	40,550.75
2017-11-15	Gold & Silver Inc.	Settlement SET17247	20,827.82
2017-11-16	2602265 Ontario Inc.	Settlement SET17275	41,005.53
2017-11-20	2276230 Ontario Inc.	Settlement SET17307	102,466.47
2017-11-21	Gold & Silver Inc.	Settlement SET17325	28,457.65
2017-11-21	2602265 Ontario Inc.	Settlement SET17341	14,442.51
2017-11-22	2276230 Ontario Inc.	Settlement SET17347	95,025.83
2017-11-23	Victoria Gold Inc.	Settlement SET17383	47,782.08
2017-11-24	2276230 Ontario Inc.	Settlement SET17404	91,476.98
2017-11-28	Victoria Gold Inc.	Settlement SET17444	70,409.95
2017-11-29	2602265 Ontario Inc.	Settlement SET17452	20,499.70
	Total for Period Ended	2017-11-30	\$ 610,706.80
2017-12-01	2276230 Ontario Inc.	Settlement SET17498	\$ 67,520.39
2017-12-04	2276230 Ontario Inc.	Settlement SET17515	93,869.56
2017-12-04	2276230 Ontario Inc.	RCredit for SET17515	(93,869.56)
2017-12-05	2276230 Ontario Inc.	Settlement SET17535	93,637.69
2017-12-06	2602265 Ontario Inc.	Settlement SET17556	26,905.06
2017-12-06	2276230 Ontario Inc.	Settlement SET17548	66,521.16
2017-12-08	Gold & Silver Inc.	Settlement SET17592	17,470.05
2017-12-13	2602265 Ontario Inc.	Settlement SET17636	20,017.92
2017-12-14	Gold & Silver Inc.	Settlement SET17654	14,580.15
2017-12-19	Gold & Silver Inc.	Settlement SET17711	23,477.87
2017-12-19	8958238 Canada Inc.	Settlement SET17714	6,647.55
2017-12-20	8958238 Canada Inc.	Settlement SET17735	19,899.62
2017-12-20	2602265 Ontario Inc.	Settlement SET17744	20,191.21
2017-12-21	8958238 Canada Inc.	Settlement SET17758	19,719.05
2017-12-22	2602265 Ontario Inc.	Settlement SET17788	26,976.43
	Total for Period Ended	2017-12-31	\$ 423,564.15
2018-01-04	Gold & Silver Inc.	Settlement SET17838	\$ 25,667.20
2018-01-05	2602265 Ontario Inc.	Settlement SET17858	34,347.95
2018-01-09	8958238 Canada Inc.	Settlement SET17909	27,346.28
2018-01-10	8958238 Canada Inc.	Settlement SET17915	28,788.50
2018-01-11	Gold & Silver Inc.	Settlement SET17938	25,746.76
2018-01-11	8958238 Canada Inc.	Settlement SET17934	35,566.44
2018-01-11	8958238 Canada Inc.	Settlement SET17946	27,461.59
2018-01-12	8958238 Canada Inc.	Settlement SET17950	40,104.35
2018-01-12	2602265 Ontario Inc.	Settlement SET17962	35,318.14
2018-01-16	8958238 Canada Inc.	Settlement SET17993	35,010.69

Posting Date	Vendor Name	Description	ITC Denied
2018-01-17	8958238 Canada Inc.	Settlement SET18006	34,873.93
2018-01-18	Gold & Silver Inc.	Settlement SET18037	24,934.13
2018-01-18	8958238 Canada Inc.	Settlement SET18035	34,407.36
2018-01-18	8958238 Canada Inc.	Settlement SET18052	33,484.80
2018-01-19	2602265 Ontario Inc.	Settlement SET18066	34,676.14
2018-01-23	Gold & Silver Inc.	Settlement SET18093	21,006.96
2018-01-23	8958238 Canada Inc.	Settlement SET18108	34,970.26
2018-01-24	8958238 Canada Inc.	Settlement SET18114	20,746.57
2018-01-24	8958238 Canada Inc.	Settlement SET18133	48,734.11
2018-01-25	8958238 Canada Inc.	Settlement SET18141	6,939.56
2018-01-25	2276230 Ontario Inc.	Settlement SET18139	89,829.54
2018-01-26	2602265 Ontario Inc.	Settlement SET18162	27,829.92
2018-01-29	8958238 Canada Inc.	Settlement SET18185	14,818.96
2018-01-30	9437690 Canada Inc.	Settlement SET18197	7,052.24
2018-01-30	8958238 Canada Inc.	Settlement SET18212	13,661.31
2018-01-31	9437690 Canada Inc.	Settlement SET18219	13,835.64
2018-01-31	8958238 Canada Inc.	Settlement SET18218	13,732.94
2018-01-31	2276230 Ontario Inc.	Settlement SET18222	103,101.85
	Total for Period Ended	2018-01-31	\$ 893,994.12
2018-02-01	Gold & Silver Inc.	Settlement SET18246	\$ 26,513.50
2018-02-01	9437690 Canada Inc.	Settlement SET18262	7,333.30
2018-02-01	8958238 Canada Inc.	Settlement SET18263	14,606.93
2018-02-02	2276230 Ontario Inc.	Settlement SET18267	95,520.16
2018-02-05	9437690 Canada Inc.	Settlement SET18303	28,189.72
2018-02-05	8958238 Canada Inc.	Settlement SET18302	27,954.82
2018-02-06	9437690 Canada Inc.	Settlement SET18315	27,627.60
2018-02-06	8958238 Canada Inc.	Settlement SET18333	55,140.28
2018-02-06	2602265 Ontario Inc.	Settlement SET18316	34,525.92
2018-02-07	2276230 Ontario Inc.	Settlement SET18335	96,972.46
2018-02-08	9437690 Canada Inc.	Settlement SET18363	27,642.55
2018-02-08	8958238 Canada Inc.	Settlement SET18361	28,352.22
2018-02-09	Gold & Silver Inc.	Settlement SET18381	17,388.41
2018-02-12	8958238 Canada Inc.	Settlement SET18410	27,712.10
2018-02-13	9437690 Canada Inc.	Settlement SET18431	48,812.79
2018-02-13	8958238 Canada Inc.	Settlement SET18429	62,569.78
2018-02-14	Gold & Silver Inc.	Settlement SET18438	14,640.60
2018-02-14	9437690 Canada Inc.	Settlement SET18453	21,241.74
2018-02-14	8958238 Canada Inc.	Settlement SET18434	35,302.67
2018-02-14	2602265 Ontario Inc.	Settlement SET18448	35,536.02
2018-02-15	9437690 Canada Inc.	Settlement SET18468	56,324.58
2018-02-15	8958238 Canada Inc.	Settlement SET18482	28,329.73
2018-02-15	8958238 Canada Inc.	Settlement SET18483	27,943.50

Posting Date	Vendor Name	Description	ITC Denied
2018-02-16	2602265 Ontario Inc.	Settlement SET18501	35,993.36
2018-02-20	8958238 Canada Inc.	Settlement SET18535	49,121.28
2018-02-21	Gold & Silver Inc.	Settlement SET18544	12,612.60
2018-02-21	8958238 Canada Inc.	Settlement SET18548	49,196.94
2018-02-21	2602265 Ontario Inc.	Settlement SET18547	42,611.27
2018-02-22	8958238 Canada Inc.	Settlement SET18568	49,345.53
2018-02-26	9437690 Canada Inc.	Settlement SET18613	35,516.78
2018-02-27	8958238 Canada Inc.	Settlement SET18635	41,815.93
2018-02-28	Gold & Silver Inc.	Settlement SET18657	15,379.65
2018-02-28	9437690 Canada Inc.	Settlement SET18653	35,024.60
Total for Period Ended		2018-02-28	\$ 1,212,799.32
2018-03-02	8958238 Canada Inc.	Settlement SET18695	\$ 42,538.99
2018-03-05	9437690 Canada Inc.	Settlement SET18720	35,738.30
2018-03-05	8958238 Canada Inc.	Settlement SET18724	43,013.62
2018-03-06	9437690 Canada Inc.	Settlement SET18764	72,036.77
2018-03-06	8958238 Canada Inc.	Settlement SET18756	71,784.31
2018-03-08	Gold & Silver Inc.	Settlement SET18797	3,996.85
2018-03-12	9437690 Canada Inc.	Settlement SET18866	70,766.54
2018-03-12	8958238 Canada Inc.	Settlement SET18863	70,329.22
2018-03-13	8958238 Canada Inc.	Settlement SET18886	35,397.57
2018-03-13	8958238 Canada Inc.	Settlement SET18887	35,348.17
2018-03-14	Gold & Silver Inc.	Settlement SET18893	26,429.78
2018-03-14	9437690 Canada Inc.	Settlement SET18902	64,918.36
2018-03-26	2276230 Ontario Inc.	Settlement SET19081	109,153.85
2018-03-27	2276230 Ontario Inc.	Settlement SET19107	67,718.30
Total for Period Ended		2018-03-31	\$ 749,170.63
2018-04-04	9437690 Canada Inc.	Settlement SET19213	\$ 36,003.11
2018-04-04	8958238 Canada Inc.	Settlement SET19215	36,084.10
2018-04-05	9437690 Canada Inc.	Settlement SET19223	35,769.37
2018-04-05	8958238 Canada Inc.	Settlement SET19225	35,267.05
2018-04-05	2276230 Ontario Inc.	Settlement SET19245	49,016.76
2018-04-10	Gold & Silver Inc.	Settlement SET19292	15,967.25
2018-04-10	2276230 Ontario Inc.	Settlement SET19306	48,547.59
2018-04-11	9437690 Canada Inc.	Settlement SET19312	36,045.88
2018-04-11	8958238 Canada Inc.	Settlement SET19310	29,248.05
2018-04-13	9437690 Canada Inc.	Settlement SET19352	35,562.54
2018-04-13	8958238 Canada Inc.	Settlement SET19349	35,326.07
2018-04-18	8958238 Canada Inc.	Settlement SET19407	35,763.91
2018-04-19	9437690 Canada Inc.	Settlement SET19443	28,936.96
2018-04-20	9437690 Canada Inc.	Settlement SET19457	14,184.56
2018-04-20	8958238 Canada Inc.	Settlement SET19449	28,546.70

Posting Date	Vendor Name	Description	ITC Denied
2018-04-24	Gold & Silver Inc.	Settlement SET19525	21,041.15
2018-04-24	8958238 Canada Inc.	Settlement SET19528	35,475.05
2018-04-24	2276230 Ontario Inc.	Settlement SET19540	42,175.51
2018-04-24	MC Gold & Refining Inc.	Settlement SET19522	17,334.20
2018-04-24	MC Gold & Refining Inc.	Invoice 111621	17,334.20
2018-04-24	MC Gold & Refining Inc.	RCredit for SET19521	(17,334.20)
2018-04-25	9437690 Canada Inc.	Settlement SET19554	35,200.10
2018-04-27	9437690 Canada Inc.	Settlement SET19593	35,846.20
2018-04-27	8958238 Canada Inc.	Settlement SET19608	35,938.50
Total for Period Ended 2018-04-30			\$ 723,280.61
2018-05-01	Gold & Silver Inc.	Settlement SET19648	\$ 34,495.37
2018-05-01	9437690 Canada Inc.	Settlement SET19654	35,303.32
2018-05-01	8958238 Canada Inc.	Settlement SET19662	35,309.56
2018-05-01	MC Gold & Refining Inc.	Settlement SET19661	27,169.74
2018-05-03	9437690 Canada Inc.	Settlement SET19696	35,350.64
2018-05-03	8958238 Canada Inc.	Settlement SET19694	35,876.23
2018-05-04	9437690 Canada Inc.	Settlement SET19717	14,135.42
2018-05-08	2276230 Ontario Inc.	Settlement SET19775	42,151.33
2018-05-09	Gold & Silver Inc.	Settlement SET19787	21,900.32
2018-05-09	9437690 Canada Inc.	Settlement SET19786	42,817.58
2018-05-09	8958238 Canada Inc.	Settlement SET19778	35,997.39
2018-05-09	MC Gold & Refining Inc.	Settlement SET19792	34,128.38
2018-05-10	9437690 Canada Inc.	Settlement SET19809	42,831.49
2018-05-11	9437690 Canada Inc.	Settlement SET19823	21,170.24
2018-05-11	8958238 Canada Inc.	Settlement SET19821	42,891.42
2018-05-15	9437690 Canada Inc.	Settlement SET19873	41,795.91
2018-05-15	8958238 Canada Inc.	Settlement SET19866	41,916.16
2018-05-15	MC Gold & Refining Inc.	Settlement SET19874	26,918.06
2018-05-16	Gold & Silver Inc.	Settlement SET19887	17,195.88
2018-05-17	9437690 Canada Inc.	Settlement SET19906	42,038.10
2018-05-17	8958238 Canada Inc.	Settlement SET19907	41,506.79
2018-05-17	2276230 Ontario Inc.	Settlement SET19929	48,336.60
2018-05-18	MC Gold & Refining Inc.	Settlement SET19936	26,916.76
2018-05-23	Gold & Silver Inc.	Settlement SET19982	21,981.70
2018-05-23	9437690 Canada Inc.	Settlement SET19983	42,250.65
2018-05-23	8958238 Canada Inc.	Settlement SET19991	43,306.90
2018-05-23	2602265 Ontario Inc.	Settlement SET19996	13,791.05
2018-05-25	9437690 Canada Inc.	Settlement SET20026	42,290.30
2018-05-25	8958238 Canada Inc.	Settlement SET20032	42,426.15
2018-05-25	2276230 Ontario Inc.	Settlement SET20036	58,145.75
2018-05-25	MC Gold & Refining Inc.	Settlement SET20034	6,875.70
2018-05-28	MC Gold & Refining Inc.	Settlement SET20057	27,259.05

Posting Date	Vendor Name	Description	ITC Denied
2018-05-29	9437690 Canada Inc.	Settlement SET20094	42,785.99
2018-05-29	2602265 Ontario Inc.	Settlement SET20096	21,383.57
2018-05-30	8958238 Canada Inc.	Settlement SET20105	47,195.72
2018-05-30	MC Gold & Refining Inc.	Settlement SET20109	27,069.90
2018-05-31	9437690 Canada Inc.	Settlement SET20133	42,622.32
	Total for Period Ended	2018-05-31	\$ 1,267,537.44
2018-06-01	Gold & Silver Inc.	Settlement SET20157	\$ 18,258.50
2018-06-01	9437690 Canada Inc.	Settlement SET20156	28,272.14
2018-06-01	8958238 Canada Inc.	Settlement SET20155	48,653.02
2018-06-05	8958238 Canada Inc.	Settlement SET20217	49,414.04
2018-06-06	9437690 Canada Inc.	Settlement SET20226	49,379.33
2018-06-07	8958238 Canada Inc.	Settlement SET20253	43,224.09
2018-06-07	2602265 Ontario Inc.	Settlement SET20257	35,010.43
2018-06-08	Gold & Silver Inc.	Settlement SET20275	22,479.60
2018-06-08	9437690 Canada Inc.	Settlement SET20270	49,363.60
2018-06-11	2276230 Ontario Inc.	Settlement SET20298	57,788.38
2018-06-11	MC Gold & Refining Inc.	Settlement SET20297	13,657.15
2018-06-12	9437690 Canada Inc.	Settlement SET20321	42,168.62
2018-06-12	8958238 Canada Inc.	Settlement SET20334	36,860.85
2018-06-13	Gold & Silver Inc.	Settlement SET20344	29,784.17
2018-06-13	9437690 Canada Inc.	Settlement SET20352	35,074.00
2018-06-14	8958238 Canada Inc.	Settlement SET20377	30,516.20
2018-06-14	2276230 Ontario Inc.	Settlement SET20379	35,528.35
2018-06-14	MC Gold & Refining Inc.	Settlement SET20373	20,602.14
2018-06-15	9437690 Canada Inc.	Settlement SET20390	21,428.81
2018-06-15	8958238 Canada Inc.	Settlement SET20392	30,108.65
2018-06-15	2602265 Ontario Inc.	Settlement SET20399	34,923.20
2018-06-18	MC Gold & Refining Inc.	Settlement SET20417	13,613.86
2018-06-19	Gold & Silver Inc.	Settlement SET20436	22,768.20
2018-06-19	9437690 Canada Inc.	Settlement SET20462	28,179.45
2018-06-20	9437690 Canada Inc.	Settlement SET20469	42,125.72
2018-06-20	8958238 Canada Inc.	Settlement SET20473	39,145.99
2018-06-20	MC Gold & Refining Inc.	Settlement SET20467	20,549.23
2018-06-21	9437690 Canada Inc.	Settlement SET20486	34,997.82
2018-06-21	8958238 Canada Inc.	Settlement SET20485	21,416.20
2018-06-21	2602265 Ontario Inc.	Settlement SET20493	35,107.80
2018-06-22	2276230 Ontario Inc.	Settlement SET20511	77,878.06
2018-06-25	9437690 Canada Inc.	Settlement SET20544	35,501.57
2018-06-25	8958238 Canada Inc.	Settlement SET20543	44,246.02
2018-06-25	MC Gold & Refining Inc.	Settlement SET20534	20,465.77
2018-06-26	Gold & Silver Inc.	Settlement SET20556	29,918.72
2018-06-26	9437690 Canada Inc.	Settlement SET20563	41,673.45

Posting Date	Vendor Name	Description	ITC Denied
2018-06-26	8958238 Canada Inc.	Settlement SET20555	35,499.62
2018-06-27	8958238 Canada Inc.	Settlement SET20587	8,594.95
2018-06-27	2276230 Ontario Inc.	Settlement SET20605	95,769.05
2018-06-28	MC Gold & Refining Inc.	Settlement SET20618	33,417.15
2018-06-29	2276230 Ontario Inc.	Settlement SET20658	95,221.88
2018-06-29	2276230 Ontario Inc.	RCredit for SET20605	(95,769.05)
Total for Period Ended 2018-06-30			\$ 1,412,816.73
2018-07-09	MC Gold & Refining Inc.	Settlement SET20669	\$ 33,319.39
2018-07-11	2276230 Ontario Inc.	Settlement SET20736	74,392.24
2018-07-12	MC Gold & Refining Inc.	Settlement SET20748	26,746.46
2018-07-13	2602265 Ontario Inc.	Settlement SET20772	34,208.07
2018-07-16	MC Gold & Refining Inc.	Settlement SET20799	33,222.15
2018-07-17	2276230 Ontario Inc.	Settlement SET20851	68,233.88
2018-07-19	MC Gold & Refining Inc.	Settlement SET20877	19,544.59
2018-07-20	2602265 Ontario Inc.	Settlement SET20911	33,698.86
2018-07-20	2578202 Ontario Inc.	Settlement SET20915	14,701.57
2018-07-23	MC Gold & Refining Inc.	Settlement SET20922	39,366.86
2018-07-24	9437690 Canada Inc.	Settlement SET20971	44,990.53
2018-07-24	8958238 Canada Inc.	Settlement SET20970	48,994.66
2018-07-26	9437690 Canada Inc.	Settlement SET21000	44,706.87
2018-07-26	8958238 Canada Inc.	Settlement SET21001	35,827.61
2018-07-26	2578202 Ontario Inc.	Settlement SET21010	19,649.50
2018-07-26	MC Gold & Refining Inc.	Settlement SET20999	25,959.05
2018-07-27	2602265 Ontario Inc.	Settlement SET21046	33,363.07
2018-07-27	2276230 Ontario Inc.	Settlement SET21053	26,429.65
2018-07-31	Gold & Silver Inc.	Settlement SET21086	14,041.95
2018-07-31	9437690 Canada Inc.	Settlement SET21098	44,490.55
2018-07-31	8958238 Canada Inc.	Settlement SET21099	49,996.05
2018-07-31	MC Gold & Refining Inc.	Settlement SET21080	32,192.55
Total for Period Ended 2018-07-31			\$ 798,076.11
Total adjustments for all periods			\$ 10,028,332.27

Schedule C - Gross Negligence Penalty

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	Net Tax per Audit	Net Tax as Filed	Change in Net Tax	25% of Change in Net Tax	GNP * Amount (Note 1)
2016-06-30	\$ (2,283,633.87)	\$ (2,221,450.67)	\$ (62,183.20)	\$ (15,545.80)	\$ 250.00
2016-08-31	(2,477,870.58)	(2,481,091.49)	3,220.91	805.23	805.23
2016-09-30	(2,347,821.90)	(2,430,081.17)	82,259.27	20,564.82	20,564.82
2016-10-31	(2,322,045.20)	(2,447,802.60)	125,757.40	31,439.35	31,439.35
2016-11-30	(2,950,515.24)	(2,987,176.15)	36,660.91	9,165.23	9,165.23
2016-12-31	(2,499,291.97)	(2,611,730.24)	112,438.27	28,109.57	28,109.57
2017-01-31	(3,758,126.41)	(4,045,539.02)	287,412.61	71,853.15	71,853.15
2017-02-28	(3,497,275.82)	(3,645,321.28)	148,045.46	37,011.36	37,011.36
2017-03-31	(4,160,068.83)	(4,260,129.59)	100,060.76	25,015.19	25,015.19
2017-04-30	(4,309,559.46)	(4,337,545.21)	27,985.75	6,996.44	6,996.44
2017-05-31	(5,255,463.33)	(5,284,415.66)	28,952.33	7,238.08	7,238.08
2017-06-30	(4,607,127.14)	(4,596,200.10)	(10,927.04)	(2,731.76)	250.00
2017-07-31	(3,294,462.99)	(3,458,823.17)	164,360.18	41,090.05	41,090.05
2017-08-31	(5,151,834.11)	(5,337,096.30)	185,262.19	46,315.55	46,315.55
2017-09-30	(5,553,268.63)	(5,880,429.23)	327,160.60	81,790.15	81,790.15
2017-10-31	(6,551,174.21)	(6,866,554.82)	315,380.61	78,845.15	78,845.15
2017-11-30	(5,617,118.52)	(6,247,416.70)	630,298.18	157,574.55	157,574.55
2017-12-31	(3,149,383.24)	(3,572,947.39)	423,564.15	105,891.04	105,891.04
2018-01-31	(5,475,346.98)	(6,369,341.10)	893,994.12	223,498.53	223,498.53
2018-02-28	(6,454,163.15)	(7,666,962.47)	1,212,799.32	303,199.83	303,199.83
2018-03-31	(7,997,175.15)	(8,631,688.25)	634,513.10	158,628.28	158,628.28
2018-04-30	(6,181,111.39)	(7,019,049.53)	837,938.14	209,484.54	209,484.54
2018-05-31	(7,767,634.16)	(9,034,754.80)	1,267,120.64	316,780.16	316,780.16
2018-06-30	(6,876,954.64)	(8,290,188.17)	1,413,233.53	353,308.38	353,308.38
2018-07-31	(6,114,097.26)	(6,923,029.15)	808,931.89	202,232.97	202,232.97
Totals	<u>\$ (116,652,524.18)</u>				
Total Gross Negligence Penalty in audit period					<u>\$ 2,517,337.60</u>

* Gross Negligence Penalty

Note 1:

Section 285 of the Excise Tax Act provides for the levying of a penalty in cases where a person knowingly, or in circumstances amounting to gross negligence, participates in or makes a false statement or omission in a return, form, certificate, statement or answer. This penalty is the greater of \$250 and 25% of the net tax change for each period in which the false statements or omissions

Schedule D – Sham Transactions

Express Gold Refining Ltd.
13855 7095 RT0001

Relevant Terminology and Concepts

Sham

The term “sham” is not defined in the Income Tax Act (ITA) or Excise Tax Act (ETA). The expression “sham” comes to us from court decisions in the United Kingdom.

The sham doctrine is classically defined in the leading case from the English Court of Appeal in *Snook v. London & West Riding Investments Ltd*¹ in which Lord Diplock offers the following:

“... if it has any meaning in law, it means acts done or documents executed by the parties to the “sham” which are intended by them, to give to third parties or the Court, the appearance of creating between the parties, legal rights and obligations different from the actual legal rights and obligations (if any), which the parties intend to create. ... that for acts or documents to be a “sham”, with whatever legal consequences follow from this, all the parties thereto must have a common intention that the acts or documents are not to create the legal rights and obligations which they give the appearance of creating. No unexpressed intentions of a “shammer” affect the rights of a party whom he deceived.” [emphasis added.]

The classic definition of sham was adopted by Martland J. in the first Supreme Court of Canada decision dealing with the concept of sham in *MNR v. Cameron*.² In the Supreme Court of Canada decision in *Stuart Investments Ltd. v. R.*, Estey J.³ explained that the sham doctrine and the judicial classification of incomplete transactions or ineffective transactions are “judicial measures for the control of tax abuse without specific legislative direction.” As Estey J. explained:

A sham transaction: This expression comes to us from decisions in the United Kingdom, and it has been generally taken to mean (but not without ambiguity) a transaction conducted with an element of deceit so as to create an illusion calculated to lead the tax collector away from the taxpayer or the true nature of the transaction; or, simple deception whereby the taxpayer creates a facade of reality quite different from the disguised reality.

¹ *Snook v. London & West Riding Investments Ltd.*, [1967] 1 All E.R. 518 (Eng. C.A).

² *MNR v. Cameron*, [1974] S.C.R. 1062 at 1068 (SCC).

³ *Stuart Investments Ltd. v. R.*, [1984] 1 S.C.R. 536.

The Federal Court of Appeal had the opportunity to comment on the sham concept in the *Faraggi v. R.* decision.⁴ Noël J.A. examined the doctrine of sham in the Canadian context and based on the classic definitions of sham summarized as follows:

It follows from the above definitions that the existence of a sham under Canadian law requires an element of deceit which generally manifests itself by a misrepresentation by the parties of the actual transaction taking place between them. When confronted with this situation, courts will consider the real transaction and disregard the one that was represented as being the real one.

Accordingly, the essential elements for the determination of a sham are:

1. An intentional deceit by the parties

In the Federal Court of Appeal decision in *Antle v Canada*⁵, Noel J.A. clarifies the notion of intentional deception in the context of sham as follows:

The required intent or state of mind is not equivalent to mens rea and need not go so far as to give rise to what is known as common law as the tort of deceit (compare *MacKinnon v Regent Trust Company Limited*, (2005), J.L. Rev. 198 (CA) at para. 20). It suffices that parties to a transaction present it as being different from what they know it to be.

In other words, the test is not that there is criminal intent (mens rea) but rather there is an awareness that the facts presented are different from the actual facts surrounding the transaction.

2. an element of false appearance such that the legal rights and obligations that have been created are different from the actual legal rights and obligations amongst the parties

In the *Snook v. London and West Riding Investments Ltd.*⁶ the sham analysis requires that:

- an element of false appearance existed between the parties; and
- the legal rights and obligations differed from the actual legal rights and obligations (if any), which the parties intend to create.

In the *Faraggi*⁷ decision, the Federal Court of Appeal judge Noël J.A. stated:

For a sham to exist, the *taxpayers must have acted in such a way as to deceive the tax authority as to their real legal relationships* [emphasis added]. The taxpayer creates an appearance that does not conform to the reality of the situation.

⁴ *Faraggi v. R.*, 2008 FCA 398 (FCA) aff'g 2007 TCC 286 (TCC). Application to appeal to the Supreme Court dismissed. February 10, 2009.

⁵ *Antle v Canada*, 2010 FCA 280

⁶ *Snook v London & West Riding Investments, Ltd.*, [1967]

⁷ *Faraggi v. R.*, 2008

Carousel

In its simplest form a carousel scheme is an arrangement where GST/HST shown to be collected on goods that are part of a resupply chain is never reported and at least one member of the supply chain goes missing (missing trader). The missing trader usually registers as an annual filer and goes missing before they remit any GST/HST; they are set up for the sole purpose of perpetuating the scheme. Sales invoices are issued in the name of the missing trader and the purchasing companies who are usually monthly or quarterly filers that claim their input tax credits (ITCs) from these invoices.

The goods can change hands up the supply chain several times, only once, or not at all by originating and remaining at the top level. Ultimately, the goods are said to be sold to an entity where the tax status of the good changes. For example the goods are processed in such a way that they become zero-rated, such as in the process of refining scrap gold to pure gold, or are exported on a zero-rated basis. The entity who “changes” the tax status of the supply is known as the zero-rater.

The zero-rated goods are then returned to entities in the supply chain, either as consideration for purported supplies previously made, or as cash earned by the scheme is used to make new purchases. This process can repeat many times, with the goods (which may or may not exist) going around on a “carousel”. There may also be multiple carousels within the group, with one or two points in common. That is, they may have the same missing trader, or the same zero-rater.

The tax collected by the missing trader is not remitted to the government, either through non-filing, under remitting, or non-payment of the amounts due. The zero-rater claims an input tax credit for the amounts charged by the missing trader, resulting in a revenue loss to the government.

The scheme is difficult to detect, as the books and records are prepared based on transactions intending to deceive. In the case of scrap gold, there is added difficulty as the goods are homogenous. There are no unique identifying characteristics that would allow tracing of a particular item through the series of transactions.

The motivation for the transactions presented must be questioned. In a carousel scheme, the structure of the transactions within the colluding group is manufactured to create GST/HST refunds, which may be the only source of funds.

Often, another part of a carousel scheme is the issuance of accommodation invoices.

Accommodation Invoices

An accommodation invoice is one that is issued either where no goods or services are provided, or to change the nature of the goods or services that are provided. The registered supplier may not be aware that these invoices are prepared, as they may be prepared by the recipient of the purported supply. These suppliers are usually complicit in the scheme, either through active participation in or willful blindness to the transactions and flow of funds.

Commercial Activity and Eligibility for ITCs

The term “commercial activity” is defined in subsection 123(1) of the ETA. A commercial activity of a person means a business carried on by the person (other than a business carried on by an individual without a reasonable expectation of profit), except to the extent to which the business involves the making of exempt supplies.

In order to claim input tax credits (ITCs), the registrant must establish that they acquired the property or service for consumption, use, or supply in the course of commercial activities, pursuant to subsection 169(1) of the ETA.

Tax in respect of the supply of the property or service must also be paid or become payable by the registrant. The ITC is then calculated as the amount of tax paid or payable multiplied by the extent of consumption, use, or supply in the course of the commercial activities of the registrant.

Analysis of Sham in the audit of Express Gold Refining Ltd.

Element 1: Intentional deceit

Audit has concluded that Express Gold Refining (EGR) knowingly participated in a carousel scheme in the scrap gold industry. EGR purported to buy scrap gold from 2276230 Ontario Inc., 2344967 Ontario Inc., 2462300 Ontario Inc., 2578202 Ontario Inc., 2602265 Ontario Inc., 8958238 Canada Inc., 9437690 Canada Inc., Gold & Silver Inc., MC Gold & Refining Inc., and Victoria Gold Inc. who did not, and in fact could not have, supplied the scrap gold purportedly purchased by EGR. Audit has concluded that these 10 suppliers are missing traders (hereafter referred to as “the missing traders”).

EGR, as a direct refinery feeder, has scrap gold processed on their behalf in such a way that the tax status changes. The scrap gold is refined to pure gold that is zero-rated on EGR’s behalf. The supply is then purportedly returned to the missing traders as consideration for the purported previous supply of scrap gold. The pure gold is then debased, that is where base metals such as zinc, or copper, or silver are blended with melted pure gold bars to reduce the

melt's gold purity level to where the gold no longer meets the levels required to be a financial instrument. The supply of this gold then becomes a taxable supply and the process can be repeated, with the same gold being refined multiple times, going around on a "carousel". As stated, in a carousel scheme, the structure of the transactions within the colluding group is established to create GST/HST refunds, which may be the only source of funds. As these missing traders are said to deal directly with EGR, and yet did not make supplies to EGR, EGR must have direct involvement in the GST/HST scheme, tantamount to intentional deceit.

Audit has concluded that all of these suppliers are missing traders, and as a result did not supply EGR with the scrap gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to EGR, it would be our position that this scrap gold was a supply of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices.

Element 2: False Appearance of Legal Rights and Obligations (Acting in Concert)

In the *Snook v. London & West Riding Investments Ltd.* decision, it was determined that the sham analysis requires the element of false appearance, creating legal rights and obligations, between the parties, different from the actual legal rights and obligations (if any), which the parties intend to create.

In this case, EGR attempted to portray an illusion of business activities and transactions that had legal rights and obligations that, in fact, did not exist or were different from the true nature of the transactions. The following is evidence of the misrepresentations or false appearance of legal rights and obligations:

- EGR portrayed an illusion of the acquisition of scrap gold from the missing traders, who are registered Canadian suppliers. Audit has concluded that this supply of scrap gold did not exist, or if it did exist, it did not come from the suppliers named on the invoices.
- The illusion perpetrated by EGR was that they acquired taxable supplies from GST/HST registered companies, and paid HST on these supplies. The alleged obligation to pay for scrap gold and the HST shown to be charged on that supply appeared to give EGR the right to claim an ITC in respect of that supply.
- The invoices created to support this business activity created the illusion of business activities and transactions that had legal rights and obligations that did not exist, or differed from the actual legal rights and obligations.
- The missing traders were incorporated and subsequently registered for GST/HST accounts in order to give the appearance they had commercial activity through

transactions with EGR. These companies were made to appear legitimate to deceive the Minister into accepting the false ITCs claims. Invoices were provided by EGR during the audit as proof that transactions between the missing traders and EGR occurred. We have concluded that invoices of accommodation were manufactured to perpetrate a GST/HST carousel scheme. These invoices are sham documents.

- It has been determined that the missing traders did not make supplies of scrap gold to EGR.

Supplier Analysis

The missing traders share characteristics that are consistent with our knowledge of how the GST/HST carousel scheme in the scrap gold industry operates. Specifically we found the following:

- Non-compliance,
- No commercial activity, or capacity to provide the purported supply,
- Purported sales of scrap gold to EGR that was of a high purity, i.e. not consistent with Canadian recycled scrap gold supply, and/or a volume that was not possible given the realities of the scrap gold industry, and
- Consideration for the purported supply of scrap gold is paid by EGR in pure gold allowing the scheme to continue.

Summary and Assessing Position

As no taxable supplies exist between EGR and the missing traders, ITCs claimed by EGR in respect of tax shown to be paid or payable to those companies will be denied under subsection 169(1) of the ETA. As there are no supplies received, the extent of consumption, use, or supply in the course of the commercial activities of EGR is nil.

Additionally, the invoices used to support the ITC claim also do not meet the documentary requirements of subsection 169(4) of the ETA. The suppliers shown on the documents are not the true suppliers of the scrap gold, if in fact there was a supply. The legal rights and obligations presented by those invoices are different from the actual legal rights and obligations. The ITCs are also denied under subsection 169(4) of the ETA.

This is **Exhibit "AA"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

Baker & McKenzie LLP
Barristers & Solicitors

Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto, ON M5J 2T3
Canada

Tel: +1 416 863 1221
Fax: +1 416 863 6275
www.bakermckenzie.com

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Valencia
Washington, DC

* Associated Firm
** In cooperation with
Trench, Rossi e Watanabe
Advogados

August 20, 2019

Canada Revenue Agency
Eastern Intake Centre
Sudbury TSO/TC
1050 Notre-Dame Avenue
Sudbury ON P3A 5C1

By Courier

Dear Sir or Madam:

**RE: Notices of Objection of Express Gold Refining Ltd. ("EGR")
for the Audit Period June 1, 2016 to July 31, 2018
13855 7095 RT0001**

This package contains EGR's Notices of Objection under the *Excise Tax Act* in connection with the twenty-six Notices of Reassessment dated July 22, 2019 ("Reassessments"). This package includes:

1. the executed GST 159 Notice of Objection form;
2. RC59 Authorization form already on file with the CRA (attached for reference);
3. the corresponding Memorandum of Objection; and
4. the Appendices to the Memorandum of Objection, with a copy of each Reassessment.

Please note that pursuant to subs. 301(4) of the *Excise Tax Act*, EGR requests that the Minister of National Revenue ("Minister") not reconsider the Reassessments and that the Minister confirm the Reassessments forthwith to enable EGR to appeal the Reassessments directly to the Tax Court of Canada. We look forward to receiving confirmation of the Reassessments as soon as possible.

Yours very truly,

BAKER & MCKENZIE LLP

Jacques Bernier
Partner*

(416) 865-6903
jacques.bernier@bakermckenzie.com
*Denotes Professional Corporation

Business Consent

Complete this form to consent to the release of confidential information about your program account(s) to the representative named below, or to cancel consent for an existing representative. **Send this completed form to your tax centre (see Instructions).** Make sure you complete this form correctly, since we cannot change the information that you provide. You can also give or cancel consent by providing the requested information online through My Business Account at www.cra.gc.ca/mybusinessaccount.

Note: Read all the instructions before completing this form.

Part 1 – Business information – Complete this part to identify your business (all fields have to be completed)Business Name: EXPRESS GOLD REFINING LTD.BN:

1	3	8	5	5	7	0	9	5
---	---	---	---	---	---	---	---	---

Part 2 – Authorize a representative – Complete either (a) or (b)**(a) Authorize access by telephone, fax and by mail**

If you are giving consent for an individual, enter that person's full name. If you are giving consent to a firm, enter the name and BN of the firm. If you want us to deal with a specific individual in that firm, enter **both** the individual's name and the firm's name and BN. If you do not identify an individual of the firm, then you are giving us consent to deal with anyone from that firm.

Note: If you are authorizing a representative (individual or firm) who is not registered with the "Represent a Client" service, the phone number is required.

Name of individual: _____

Telephone number: 416-863-1221Name of firm: BAKER & MCKENZIE LLPBN:

1	1	9	4	0	7	6	2	5
---	---	---	---	---	---	---	---	---

or**(b) Authorize online access (includes access by telephone, fax and by mail)**

You can authorize your representative to deal with us through our online service for representatives. The BN must be registered with the "Represent a Client" service to be an online representative. **Our online service does not have a year-specific option, so your representative will have access to all years.**

You must enter one of the following options:

- the ReplD and the name of the individual; or
- the GroupID and the name of the group; or
- the BN and the name of the firm.

ReplID:

--	--	--	--	--	--	--	--	--	--

and

Name of individual: _____

or

GroupID:

G									
---	--	--	--	--	--	--	--	--	--

and

Name of group: _____

or

BN:

--	--	--	--	--	--	--	--	--	--

and

Name of firm: _____

Telephone number: _____

Part 3 – Select the program accounts, years and authorization level**(a) Program Accounts** – Select the program accounts the above individual, group or firm is authorized to access.

Tick only one box, (i) or (ii).

- (i) This authorization applies to all program accounts and all years.

Expiry date:

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

and

Authorization level (tick level 1 or 2)

- Level 1 lets CRA disclose information only on your program account(s);

or

- Level 2 lets CRA disclose information and accept changes to your program account(s).

or

- (ii) This authorization applies only to program accounts and periods listed in Part 3(b).
If you select this option, you must complete 3(b).

Business Consent

(b) Details of program accounts and fiscal periods – Complete this area only if you ticked box (ii) in Part 3(a) on page 1.

If you ticked box (ii) in part 3(a), you have to provide at least one program identifier (see Instructions on page 1). You can then tick the box "All program accounts" for that program identifier or enter a reference number. Provide the authorization level (tick either the "Authorization level 1 box" to allow the CRA to disclose information or "Authorization level 2 box" to disclose information and accept changes to your program account).

You can also tick the box "All years" to allow unlimited tax year access or enter a specific fiscal period (specific period authorization is not available for online access). You can also enter an expiry date to automatically cancel authorization. If more authorizations or more than four program identifiers are needed, complete another Form RC59.

Program identifier	All program accounts	Reference number	Authorization level		All years	or	Specific fiscal period (not available for online access)	Expiry date
			1	2				
	<input type="checkbox"/>	or <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	or	Year-end Y Y Y Y M M D D	Y Y Y Y M M D D
	<input type="checkbox"/>	or <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	or	Y Y Y Y M M D D	Y Y Y Y M M D D
	<input type="checkbox"/>	or <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	or	Y Y Y Y M M D D	Y Y Y Y M M D D
	<input type="checkbox"/>	or <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	or	Y Y Y Y M M D D	Y Y Y Y M M D D

Part 4 – Cancel one or more authorizations – Complete this part only to cancel authorization(s)

- A. Cancel all authorizations on all accounts.
- B. Cancel all authorizations, only for the individual, group, or firm identified below.
- C. Cancel all authorizations for a specific program account: Program identifier: Reference number:
- D. Cancel authorization for the individual, group, or firm identified below for the following program account: Program identifier: Reference number:

RepID: and Name of individual: _____
 or
 GroupID: G and Name of group: _____
 or
 BN: and Name of firm: _____

Part 5 – Certification

This form must be signed by an authorized person of the business such as an owner, a partner of a partnership, a director of a corporation, an officer of a non-profit organization or a trustee of an estate. By signing and dating this form, you authorize the CRA to deal with the individual, group, or firm listed in Part 2 of this form or cancel the authorizations listed in Part 4.

First name: ATEF Last name: SALAMA

Signature:  Date: 2 0 1 4 0 2 1 0

The CRA will not process this form unless it is signed and dated by an authorized person of the business.
 This form must be received by the CRA within six months of its signature date.
 If it is not received in this time it will not be processed and will be returned to the business.

NOTICE OF OBJECTION (GST/HST)

Before completing this form, read the instructions on the back.

Name EXPRESS GOLD REFINING LTD.	Telephone No. (416) 366-4000
Mailing address 215 Victoria St., Suite 400 Toronto, ONT M5B 1T9	

If possible, enclose a copy of the notice of assessment or notice of reassessment that you are objecting to, otherwise, give the following information.

Check here if notice is attached

Notice No AS SPECIFIED BELOW
Amount in dispute \$13,553,885.03 (PLUS INTEREST)
Date the notice was sent JULY 22, 2019
Social insurance number or Business Number ▶ 13855 7095 RT0001

Please state the facts and reasons for your objection (if you need more room, add a separate sheet).

See supporting memorandum attached.

Note that, pursuant to subs. 301(4) of the Excise Tax Act, Express Gold Refining Ltd. requests that the Notices of Reassessment objected to herein not be reconsidered by the Minister of National Revenue and that the Minister confirm the Reassessments forthwith to enable EGR to appeal the Reassessments directly to the Tax Court of Canada.

Notice of Reassessment reference numbers objected to:

16210000532360775
16229000332360718
16253000232360096
16280000232360854
16313000332360184
16348000332360049
17013000232360663
17045000132360951
17079000232360072
17096000332360726
17124000332360397
17159000232360099
17194000332360585
17222000232360547
17251000232360329
17279000232360878
17311000232360947
17342000232360814
18009000132360858
18039000232360241
18068000232360252
18094000332360575
18124000232360555
18165000332360498
18194000232360167
18225000232360711

Check here if a separate sheet is attached .

Name and address of authorized representative (if applicable):

**Jacques Bernier & Bryan Horrigan
Baker & McKenzie LLP
181 Bay Street, Suite 2100
Toronto, Ontario M5J 2T3**

416 865 6903
Telephone No.

 _____ Signature	Vice President _____ Position or Office	August 19, 2019 _____ Date
---	--	---

For a corporation, we need the signature of an authorized person.

Instructions

Complete this form if you want to object under Part IX of the *Excise Tax Act* (GST/HST), to your notice of assessment or notice of reassessment.

Do not use this form to object to any *Excise Tax Act* assessment other than GST/HST. Instead, use form *E413 Notice of Objection (Excise Tax Act)*, or *E414 Notice of Objection (Purchaser)*, as applicable.

Your notice of objection must be mailed or delivered within **90 days** of the date shown on the notice of assessment you are disputing.

Where to send your objection

Residents with a postal code starting with A to P and non-residents may send their objection to:

**Eastern Intake Centre
Sudbury TSO/TC**
1050 Notre-Dame Avenue
Sudbury ON P3A 5C1

Residents with a postal code starting with R to Y may send their objection to:

**Western Intake Centre
Burnaby-Fraser TSO**
9737 King George Boulevard
PO Box 9070, Station Main
Surrey BC V3T 5W6

Rebate Program for Tour Packages, Foreign Conventions, and Non-Resident Exhibitor Purchases – Send your notice of objection to:

**Eastern Intake Centre
Sudbury TSO/TC**
1050 Notre-Dame Avenue
Sudbury ON P3A 5C1

File a separate form for each notice in dispute.

Specified person * – In addition to giving facts and reasons for objecting, a specified person has to describe each issue and specify the relief the person wants for each one.

For more information, you can contact the Appeals Division at your tax services office.

* Generally a specified person is a listed financial institution or a person whose annual taxable supplies in each of the two preceding fiscal years were more than \$6 million. For more information see subsection 301(1) of the *Excise Tax Act*.

MEMORANDUM IN SUPPORT OF THE OBJECTIONS OF EXPRESS GOLD REFINING LTD. (“EGR”) TO TWENTY-SIX (26) GST/HST REASSESSMENTS DATED JULY 22, 2019 (“Reassessments”), AND COVERING THE REPORTING PERIODS FROM JUNE 1, 2016 TO JULY 31, 2018 (“Reassessed Periods”)

WAIVER OF RECONSIDERATION

1. Pursuant to subs. 301(4) of the *Excise Tax Act* (“Act”),¹ EGR requests that the Minister of National Revenue² (“CRA”) not reconsider the Reassessments and that the CRA confirm the Reassessments forthwith to enable EGR to appeal the Reassessments directly to the Tax Court of Canada.

OVERVIEW

2. The CRA reassessed EGR to increase its net tax in respect of Goods and Services Tax/Harmonized Sales Tax (“GST/HST”) in the amount of \$9,994,443.28 for the 26 individual reporting periods in the Reassessed Period plus \$2,517,337.49 in penalties under Part IX of the Act.
3. The Reassessments were raised contrary to the CRA’s stated administrative policy, in that they were raised without providing EGR any explanation of the proposed adjustments or providing EGR with any opportunity to respond. They were also raised for an improper purpose, namely, to interfere with a potential decision in favour of EGR on a Federal Court application for a *mandamus* order against CRA.

¹ All statutory references in this memorandum are to the Act, unless otherwise specified.

² The Minister of National Revenue and her delegates and agents are referred to collectively as the "CRA" in this memorandum.

4. The net tax increase in the Reassessments is wholly attributable to the denial of input tax credits (“ITCs”) claimed by EGR with respect to GST/HST paid/payable by EGR to ten particular suppliers, referred to by the CRA as “missing traders” (hereinafter, the “**Ten Suppliers**”). Specifically, CRA’s stated rationale for denying those ITCs is as follows:

Audit has concluded that all of these suppliers are missing traders, and as a result did not supply EGR with the scrap gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to EGR, it would be our position that this scrap gold was a supply of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices.

5. EGR submits that the Reassessments should be vacated in their entirety because they were issued without due process, for an improper purpose and because the CRA’s position is completely inconsistent with the facts and has no merit in law. Contrary to the CRA’s position, the Ten Suppliers did in fact supply EGR with scrap gold giving rise to ITCs; the scrap gold purchased by EGR was not part of a carousel scheme (and EGR was not a knowing participant to any such scheme); and the Ten Suppliers were in fact the true suppliers of the scrap gold.

FACTS

Background

6. EGR, a GST/HST-registered corporation organized in the province of Ontario, is engaged in the business of facilitating the refining of precious metals using third party refiners.
7. EGR’s business primarily involves the purchase of scrap metal (typically in the form of gold jewelry or melted gold bars), the facilitation of refining of such scrap metal into precious metals (typically pure gold) and the sales of such precious metals.

8. EGR maintains a large transaction volume attributable to the high value of gold and the accounting practices dictated by the CRA for GST/HST purposes; however, its profit margins are very small. EGR effectively purchases its scrap gold based on the volume of gold content times a set rate and will in turn sell the refined product (*i.e.*, the precious metal) at a set rate that is only 2% or less higher than the set rate for which it purchased the scrap gold.

CRA-EGR History and the 2013 CRA GST/HST Ruling

9. Between 2004 and 2013, EGR was subject to constant and extensive CRA GST/HST audit activity including at least two full scale GST/HST audits (spanning multiple years each). During that time, CRA withheld EGR's net tax refunds for many months at a time. Five different audit theories were raised by a large number of CRA auditors and/or audit teams; however, most of those audit theories were ultimately determined by the CRA to be baseless and reassessments were not issued on the basis of such audit theories. This extensive audit activity culminated in a detailed 2013 ruling (the “**2013 CRA Ruling**”). Further details of these extensive audit activities between 2004 to 2013 and the 2013 CRA Ruling are found at paragraphs 15 to 44 of the January 23, 2019 Affidavit of EGR’s principal, Atef Salama (attached as **Appendix “1”**), filed in the context of pending Federal Court proceedings.
10. One of the central issues in the 2013 CRA Ruling was the GST/HST treatment of transactions where scrap gold suppliers bring EGR scrap gold to be refined and EGR provides the suppliers with refined gold in return.

11. In submissions to the CRA in advance of the 2013 CRA Ruling, EGR's stated position was that this transaction constituted a supply of a service, with the consideration payable for such service to be the difference between the value of scrap gold and the returned refined gold (typically, 2% or less). To the extent these transactions were treated this way from a GST/HST perspective, GST/HST would only be payable to the party arranging for refining (e.g., EGR) on the roughly 2% value of the scrap gold content and the refiner would not be required to pay any GST/HST to the supplier who brought in the scrap gold for refining.
12. Further, EGR took the position that if this transaction did not involve the supply of a service, subs. 153(3) of the Act should apply, as the transactions involve the exchange of property of same class or kind (*i.e.*, gold). This approach would result in no GST/HST being payable on the transaction whatsoever.³
13. EGR was concerned that by not treating these transactions as services or as barter transactions under s. 153, significantly more GST/HST would be put into the GST/HST system and become at risk of being absconded. EGR's representatives warned both the Department of Finance and the CRA of this risk prior to the issuance of the 2013 CRA Ruling. Namely, in March 2012, EGR's representatives specifically indicated to the Department of Finance that the CRA's position "will have the obvious but unfortunate consequence of increasing the risk of further tax evasion in an industry where fraudulent

³ Further, to the extent that the supplier was not GST/HST-registered, EGR would be required to collect GST/HST from the supplier only on the 2% or less difference in value between the scrap and refined gold (pursuant to subs. 153(4) of the Act).

practices have already been identified (and prosecuted).”⁴ Similarly, in a November 9, 2011 submission to the CRA, EGR’s representatives stated:

Ironically, the CRA's proposal increases the risk of tax leakage and tax fraud. In fact, given the CRA’s recent experience with fraud in the gold industry, which primarily involved suppliers who collected but failed to remit GST/HST, it is to the CRA's benefit that subsection 153(3) of the ETA apply to the transactions between EGR and its clients. That is, the CRA's proposal contemplates the collection of GST/HST by large numbers of businesses, which complicates the administrative process for the CRA and increases the risk of tax leakage. As each of the parties would be able to recover the GST/HST payable by way of ITC, there is no financial benefit to the CRA in not applying subsection 153(3) to these transactions. [Underlining added].⁵

14. Despite these submissions and the obvious policy implications, the CRA took the position in the 2013 CRA Ruling that this transaction does not involve the supply of a service, but rather involves two supplies of tangible property: (1) the supply of scrap gold *to* EGR; and (2) the supply of refined gold *by* EGR. Further, the CRA concluded that subs. 153(3) did not apply to the transaction because it was of the view that the gold exchanged was not of the same particular class or kind for s. 153 purposes.

15. Accordingly, for every transaction of this nature, EGR was required to pay scrap gold suppliers 13% HST on the entire value of the scrap gold; however, given that refined gold in bar form is zero-rated, EGR would not collect GST/HST on its supply of such gold. This put EGR into large monthly net tax refund positions and resulted in equally large amounts of GST/HST being paid to suppliers.

⁴ March 29, 2012 letter to Lise Potvin, Director of Sales Tax Division at the Department of Finance from J. Bernier.

⁵ November 9, 2011 letter to Patricia Northey, Assistant Director – Audit, CRA from J. Bernier.

CRA Activities Since 2013 CRA Ruling

16. Since the 2013 CRA Ruling, EGR continued to be subjected to constant information requests from CRA, with respect to EGR and its customers/suppliers. EGR complied with all such information requests and has always cooperated with CRA regarding these requests and CRA's extensive audit activities.

17. Since the 2013 CRA Ruling was issued, EGR has regularly received requests from its suppliers, demanding that EGR pay them GST/HST on past purchases. These requests arose out of CRA reassessments issued to such suppliers. Specifically, CRA has assessed a number of EGR customers/suppliers for failing to collect GST/HST on their supplies, including supplies made to EGR. This CRA assessment activity has been a contributing factor in increasing the amount of GST/HST EGR pays its suppliers on a monthly basis, in turn, significantly increasing EGR's monthly ITC claims and net tax refund claims over the years. Namely, EGR's net tax refunds averaged approximately \$5 million per month in 2017 and \$7 million per month in 2018, which effectively represents the amount of GST/HST paid by EGR to its suppliers in a given month.⁶

18. In March and April 2018, EGR met with CRA officials from the Business Intelligence section at the Toronto West Tax Services Office (“TSO”) at their request. During these meetings, the CRA officials discussed general issues of GST/HST fraud in the gold industry and shared with Mr. Salama that the CRA would be changing its audit and enforcement approach in the coming months. The officials also suggested that EGR should

⁶ Had the CRA accepted EGR's submissions in its 2013 Ruling, no GST/HST would have been paid by EGR to its suppliers.

unilaterally – and contrary to the Act – initiate a “reverse VAT mechanism” in which EGR would remit the GST/HST payable to its suppliers directly to the CRA, rather than to the suppliers themselves. One of the officials explicitly stated that EGR was considered one of the “good guys” and encouraged Mr. Salama to approach CRA and Department of Finance officials to advocate for a “reverse VAT mechanism”. This same official admitted that he was behind most, if not all, of the CRA’s audit activity vis-à-vis EGR and admitted that his audit activity and the 2013 CRA Ruling substantially increased the risk of fraud in the gold industry, as EGR and its competitors were forced to pay massive amounts of otherwise recoverable GST/HST into the system, and that these amounts became at risk of being absconded by other GST/HST registrants. The official identified two persons that EGR should no longer deal with. EGR heeded the official’s advice and immediately ceased dealings with those persons.

2018/2019 Audit Activity & the Judicial Review

19. For reporting periods spanning from January 2018 to July 2018, EGR claimed monthly net tax refunds in the range of approximately \$6.4 million to over \$9 million. While all of these returns except for June (which was processed immediately), were flagged by the CRA's automated selection criteria, they were all processed within weeks.

20. EGR filed its GST/HST return for the August 2018 reporting period on September 6, 2018, which claimed a net tax refund payable of \$9,128,196.67. Subsequently, the CRA commenced an audit of EGR's August 2018 return and began withholding EGR's net tax refunds.

21. The August 2018 return was first reviewed by the Toronto Centre TSO; however, it was transferred to the Toronto West TSO because that TSO “has an in-depth knowledge of [EGR] and the industry that it engages in”. EGR's file was subsequently transferred to the Saskatchewan TSO. The CRA expanded the audit to cover the June 1, 2016 to October 31, 2018 reporting periods and the CRA indicated to EGR that all of its net tax refund claims would be put on hold pending completion of the audit of all of those periods.
22. On November 7, 2018, EGR’s representatives wrote to the Saskatchewan TSO demanding that all net tax refunds claimed be paid forthwith (a copy is attached as **Appendix “2”**).
23. A November 26, 2018 response letter was sent by CRA confirming that EGR’s net tax refunds would be withheld “for the duration of our audit.”
24. EGR filed a Notice of Application in the Federal Court of Canada on December 6, 2018, seeking an Order in the nature of *mandamus* requiring the CRA to pay EGR’s outstanding net tax refunds forthwith (a copy is attached as **Appendix “3”**).
25. The January 23, 2019 Affidavit of Mr. Salama was sworn in support of the application. Counsel for the CRA did not challenge any of the evidence in the Affidavit, choosing not to cross-examine Mr. Salama.
26. CRA Manager, Mario Duguay affirmed affidavits in support of the application for the CRA. During EGR counsel’s April 10, 2019 cross-examination of Mr. Duguay, he admitted the following:
 - the CRA was not concerned about non-compliance on EGR's part with respect to GST/HST but that the compliance of others in the industry was a concern;

- the CRA's concerns about non-compliance by other taxpayers in the gold refining industry are irrelevant to EGR's entitlement to its ITCs/net tax refunds; and
 - the CRA's "goal" is to have the audit complete by September 2019 or 2020, but it could take a year or more to complete and will not necessarily result in an adjustment of EGR's net tax.
27. The application proceeded to a hearing on July 3, 2019 before Justice Pentney in Toronto, which was attended by a number of CRA officials including the Saskatoon-based auditor assigned to EGR's file. During the hearing, Justice Pentney asked counsel for the Department of Justice whether he could cite a legal basis for the CRA not paying the net tax refunds that were being withheld referable to reporting periods that fell outside the audit period. Counsel acknowledged that he was unable to cite such legal basis.
28. During the hearing, counsel for the Department of Justice also made representations to the Court that the CRA's goal was to complete the audit by September 2019.
29. On July 9, 2019 (just four business days after the hearing), the CRA auditor sent a letter to EGR indicating that the GST/HST audit was being expanded yet again, to also include the reporting periods from November 1, 2018 to May 31, 2019 (*i.e.*, reporting periods that had fell outside the audit period during at the time of the Federal Court hearing). The letter requests various information and documentation to be provided electronically by EGR referable to the additional periods. The audit has since been expanded to include the June 2019 reporting period and the CRA auditor has confirmed that it will continue to be expanded on a monthly basis, perpetually.
30. On July 22, 2019, EGR received the Reassessments through its online CRA account, referable only to reporting periods that the CRA previously assessed and for which no net

tax refunds were/are being withheld (attached as **Appendix “4”**). The Reassessments increase EGR’s net tax for the Reassessed Periods by almost \$10 million (approximately the same amount of withheld refunds for the November 2018 to May 2019 reporting periods – the periods that were not under audit on the date of the Federal Court hearing) and impose gross negligence penalties pursuant to section 285 of the Act. The Reassessments increase EGR’s net tax for the Reassessed Periods by approximately 8% (*i.e.*, the Reassessments deny 8% of the ITCs claimed by EGR for the Reassessed Periods).

31. The following day, July 23, 2019, EGR received a summary of adjustments via mail, which noted that the Reassessed Periods “remain under audit and subsequent (re)assessment(s) may be issued for the same periods”. In other words, the Reassessments are provisional. (The summary of adjustments is attached as **Appendix “5”**).

32. The summary of adjustments sets out the “basis” for the Reassessments, which include a number of serious allegations against EGR, including a number of alternative theories, which are not supported by any evidence, facts or coherent explanation whatsoever. Namely, the summary of adjustments states:
 - “ITCs totaling \$10,028,332.27 were claimed based on invoices from [the Ten Suppliers] where no supply of scrap gold was made.”
 - “The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations.”
 - The Ten Suppliers “did not, and in fact could not have, supplied the scrap gold purportedly purchased by EGR” and are “missing traders”... As these missing traders are said to deal directly with EGR, and yet did not make supplies to EGR, EGR must have direct involvement in the GST/HST scheme, tantamount to intentional deceit.”
 - “Audit has concluded that all of these suppliers are missing traders, and as a result did not supply EGR with the scrap gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to EGR, it would be our position that this scrap gold was a supply

of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices.”

33. The CRA has never before raised any of the above issues with EGR despite numerous requests by EGR for input and feedback from the CRA during the course of the audit. No warning was provided to EGR regarding the Reassessments, as the CRA did not issue a proposed statement of audit adjustments or any other indication that it would be issuing the Reassessments. EGR was given no opportunity to know or to respond to these allegations prior to issuance of the Reassessments (as they were only raised post-assessment).
34. EGR’s representatives wrote to the CRA auditor August 6, 2019 (copy attached at **Appendix “6”**) demanding that the Reassessments be vacated on the basis that: (1) the CRA failed to provide EGR with due process in issuing the Reassessments; (2) the CRA’s Reassessment theories have no basis in reality; and (3) the CRA’s actions are an abuse of process, issued solely to interfere with a potential decision in favour of EGR on the Federal Court application.
35. The CRA has still not paid any withheld net tax refunds and has not issued assessments for periods from August 2018 forward (*i.e.*, periods for which withheld net tax refunds are outstanding). This, despite the fact that the CRA has had supporting documentation for the August 2018 period since October 2018, and has had supporting documentation for the September and October 2018 periods since the same time it was provided supporting documentation for the Reassessed Periods.
36. As of today, total withheld refunds amount to over \$34 million (over \$20 million more than the total amounts assessed against EGR in the Reassessments).

EGR's Transactions with the Ten Suppliers

37. The denied ITCs are referable to *bona fide* purchases of scrap gold by EGR from the Ten Suppliers. EGR maintains state of the art facilities to assay gold upon receipt and maintains meticulous records regarding the purchase and sale of gold. Every purchase and sale of gold identified by the CRA in the Reassessments is reflected in documentation with EGR's third-party refiner (Asahi Refining) who received and refined such gold. The CRA was provided with all relevant documentation to support this fact.
38. Similarly, *bona fide* supporting documentation/information was issued/maintained to support EGR's ITC claims. EGR did not receive or rely on invoices of accommodation to claim the ITCs at issue or any other ITCs. Invoices reflecting the reassessed transactions were prepared in the normal course of business to reflect the actual transactions that took place between EGR and the suppliers.
39. EGR was not involved in any "carousel scheme" nor was EGR a knowing participant to a carousel scheme.
40. At all times, EGR maintained meticulous processes and records for identifying its suppliers (including the Ten Suppliers), including the maintenance of detailed files, verification of GST/HST numbers, and personally identifying suppliers through photo identification when they attended EGR's premises to sell scrap gold. As a Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) reporting entity, EGR complied with strict FINTRAC rules regarding client identification. Put simply, the so-called "missing traders" attended EGR's premises and sold EGR taxable scrap gold.

ISSUES

41. The issues in this objection are as follows:
- (a) whether the Reassessments should be vacated on the basis that the CRA did not provide EGR with any due process in raising the Reassessments;
 - (b) whether the Reassessments should be vacated on the basis that they were raised for an improper purpose;
 - (c) whether CRA improperly denied the ITCs claimed by EGR, forming the basis for the net tax increase in the Reassessments;
 - (d) whether CRA failed to audit to net tax in issuing the Reassessments; and
 - (e) whether the CRA improperly imposed penalties against EGR.

RELEVANT PROVISIONS

42. EGR relies on the following statutory/regulatory provisions:
- (a) the definitions of “business” “commercial activity”, “consideration”, “financial instrument”, “financial service”, “precious metal”, “recipient”, “sale”, “service”, “supplier”, “supply”, “taxable supply” and “zero-rated supply” in subsection 123(1) of the Act;
 - (b) the following sections of the Act: 153, 165, 169, 221, 222, 225, 228; 229; 240; 242; 261; 275; 285; 296; and 301.
 - (c) section 3 of Part IX of Schedule VI of the Act;

- (d) all relevant provisions in the *Input Tax Credit Information (GST/HST) Regulations*;
and
- (e) any other provisions of the Act or the regulations made under the Act that pertain to the issues and reasons set out herein.

REASONS

Issue (a): The CRA failed to grant EGR due process in issuing the Reassessments

- 43. The CRA's failure to provide any feedback to EGR regarding its GST/HST practices, failure to provide a statement of audit adjustments outlining the basis for the Reassessments, failure to provide an assessment proposal letter and failure to provide EGR with an opportunity to respond to the CRA's baseless audit theories is contrary to the CRA's legal obligations and its own policies. The Reassessments must be reversed in their entirety on this ground alone.
- 44. Namely, the CRA's issuance of the Reassessments is contrary to basic principles of due process and procedural fairness owed to EGR.
- 45. In particular, failure to provide any notice, failure to tell EGR the case it has to meet and failure to provide EGR with a chance to respond to the CRA's allegations prior to issuing the Reassessments is contrary to CRA policy, which states as follows:
 - "A proposal letter outlining potential adjustments should be sent to the taxpayer/registrant as soon as possible after completing the audit procedures.... The proposal letter provides details of all proposed adjustments."
 - "In all cases, it is essential that the taxpayer/registrant receives a full explanation of the proposed adjustments and is given adequate opportunity to respond."

- “Following receipt of any representations and/or submissions, any outstanding issues should be addressed with the taxpayer/registrant, either by phone or in person in a final meeting.”
- “A reasonable extension of time requested by the taxpayer/registrant to consider the proposed adjustments and to prepare a response should not be denied.”⁷

[Underlining added.]

46. With respect to imposition of penalties, CRA policy requires that specific procedures be followed, including preparation of a report addressing the registrant’s explanations and representations, none of which have been followed here.⁸
47. Given EGR’s history of collaboration and cooperation with the CRA, there was clearly no justification to deviate from due process. Furthermore, the Reassessments have not been raised on the basis that collections would be jeopardized as the CRA currently owes EGR far more than the amounts reassessed by the CRA and the CRA has not invoked the procedures contemplated in s. 322.1 of the Act.
48. The Reassessments should be vacated on the basis that they were issued without according EGR due process.

Issue (b): CRA Issued the Reassessments for an Improper Purpose

49. The Reassessments were issued solely for an improper purpose: to interfere with a potential decision in favour of EGR on the Federal Court application.
50. The reassessed amounts are strikingly similar to the total refunds currently being withheld by the CRA attributable to reporting periods that had fell outside of the audit period at the

⁷ CRA Audit Manual, at section 11.2.4.

⁸ CRA’s Audit Manual, section 11.6.2.

time of the Federal Court hearing, and for which Department of Justice Counsel could not provide any purported legal basis for withholding.

51. The CRA made representations to court during the Federal Court hearing that its goal was to complete the audit by September 2019; however, just two weeks later, the summary of adjustments was dispatched. Further, the Reassessments are provisional in nature on their face.
52. The bottom-line is that there is no legitimate reason that the CRA would hastily issue provisional assessments prior to the stated goal for completion date, but for the results of the hearing. The true motivation behind the issuance of the Reassessments is to minimize the impact of a Federal Court order for *mandamus* against the CRA. The CRA's actions are purely a deliberate attempt to circumvent the judicial process, which both parties submitted to and where the judicial decision is presently on reserve. The Reassessments were raised for an improper purpose, which is an abuse of process. The Reassessments should also be reversed on this ground alone.

Issue (c): CRA Improperly Denied the ITCs Claimed by EGR

53. The “basis” for the CRA’s denial of the ITCs is stated in the summary of adjustments is as follows:

Audit has concluded that all of these suppliers are missing traders, and as a result did not supply EGR with the scrap gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to EGR, it would be our position that this scrap gold was a supply of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices.

54. From this statement, it appears that the CRA has advanced two or, perhaps, three alternative theories (although it is not entirely clear), which fail in all respects. The facts do not support

the theories raised by the CRA. The summary of adjustments is completely devoid of any justification, transparency and intelligibility. The Reassessments must be reversed.

Baseless Audit Theory #1: No supply of scrap gold

55. The CRA's first purported theory is that no supply of scrap gold was made to EGR with respect to the reassessed amounts; however, no evidence or basis for this theory is identified.
56. To the contrary, a plethora of evidence makes clear that the supplies of scrap gold were made. EGR maintains state of the art facilities to assay gold upon receipt and maintains meticulous records regarding the purchase and sale of gold. Perhaps most telling, is the fact that every purchase and sale of gold identified by the CRA in the reassessments is reflected in documentation with EGR's third-party refiner (Asahi Refining) who received and refined such gold. The CRA was provided with all relevant documentation to support this fact but, nevertheless, concludes that no supply of scrap gold took place.
57. In support of this theory, the CRA has suggested the use of "accommodation invoices" to create the illusion of business activities and transactions that have legal rights and obligations that do not exist, which is similarly not in accordance with the facts. The invoices reflecting the reassessed transactions were prepared in the normal course of business to reflect the actual transactions that took place between EGR and the Ten Suppliers as referenced above. EGR purchased taxable scrap gold from these suppliers giving rise to GST/HST payable.
58. The CRA's first audit theory is completely baseless.

Baseless Audit Theory #2: Supply of scrap gold part of carousel scheme

59. The CRA's second purported theory appears to be that scrap gold purchased by EGR was a supply of debased gold as part of a carousel scheme. There is no evidence scrap gold purchased by EGR was part of a carousel scheme or that EGR was a knowing participant to a carousel scheme. The only "support" the CRA has raised for the notion that EGR knowingly participated in nefarious activities is that third parties who sold scrap gold to EGR became "missing traders".
60. The CRA suggests that EGR must have direct involvement in a GST/HST scheme with the missing traders (tantamount to intentional deceit) solely because "these missing traders are said to deal directly with EGR" and are therefore involved in a sham.
61. However, this logic implies that a recipient of goods and services will be engaged in intentional deceit whenever its supplier becomes a so-called "missing trader". It further implies that a recipient is required to police its suppliers with respect to their GST/HST obligations – a proposition that has been strictly rejected by the courts. As noted by the Tax Court of Canada: "[t]he primary mission of a business is to generate revenues that result in profitability, not to act as taxation police."⁹ This is especially the case where the CRA is proposing to punish a taxpayer for complying with an interpretation of legislation imposed by the CRA that the taxpayer warned would increase the risk of fraud.
62. Mr. Duguay acknowledged under oath during his cross-examinations on the Federal Court application that the fact that a supplier is noncompliant with respect to their GST/HST

⁹ *Salaison Lévesque Inc. v. The Queen*, 2014 TCC 36 at para. 64.

return filings has no bearing on EGR's net tax refund claims. Intention on the part of EGR cannot be derived solely based on the actions of its suppliers. The fact that this is the only basis cited for the CRA's theory that EGR had involvement in a GST/HST scheme speaks volumes.

63. The CRA's second audit theory is completely baseless.

Baseless Audit Theory #3: Supply of scrap gold did not come from suppliers identified

64. The CRA's third alternative purported position appears to be that the supply of scrap gold did not come from the suppliers named on the invoices.
65. As far as EGR is concerned, the suppliers are the suppliers. At all times, EGR maintained meticulous processes and records for identifying its suppliers, including the maintenance of detailed files, verification of GST/HST numbers, and personally identifying suppliers through photo identification when they attended EGR's premises to sell scrap gold. As a Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) reporting entity, EGR complied with strict FINTRAC rules regarding client identification. Put simply, the so-called "missing traders" attended EGR's premises and sold EGR taxable scrap gold.
66. In addressing the CRA's argument that a recipient of scrap metal was not entitled to ITCs on the basis that the true suppliers of the scrap metal were not those listed on the invoice, the former Tax Court of Canada Chief Justice Rip stated:

In the appeal at bar, the evidence suggests that the 12 suppliers operated a fraudulent scheme, either individually or in concert, to defraud not only the tax authorities but also SNF. I have no doubt that many of the 12 suppliers were not supplying scrap metal to SNF on their own account; the names of suppliers on the invoices were not those of the real suppliers. But SNF was not part of this exercise

and was not aware of it when it purchased supplies from these suppliers. On the facts before me, SNF took reasonable precautions to ensure that the registration numbers were real and that they were issued to 11 of the 12 suppliers. The appellant did make reasonable inquiries to satisfy itself that the GST registration numbers were validly issued to 11 of the suppliers, and it had obtained sufficient evidence in various forms enabling the ITCs to be determined in accordance with subsection 169(4) and the relevant Regulations. That any or all of the other 11 suppliers may not have carried on a business or were "prête-noms" does not, on the facts, affect the appellant's right to claim ITCs.

Again, one cannot expect a business, whether a small marginal business or a large business like the appellant and AIM with hundreds, if not thousands, of suppliers to make exhaustive inquiries of each potential supplier. There is a reasonable limit, economic or otherwise, to the extent to which a taxpayer must be diligent. Where the tax authorities do not make reasonable inquiries, it does not follow that businesses should be expected to do the tax authorities' job or face a tax liability. This could not have been the intention of Parliament when it passed the GST legislation. [Underlining added.]¹⁰

67. The CRA's third Reassessment theory flies in the face of these comments given EGR's extensive due diligence. EGR followed sufficient processes to confirm that the suppliers of the scrap gold were the true suppliers.
68. Like the CRA's first two previous audit theories, this last theory is completely baseless. There is more.

Issue (d): CRA Failed to Audit to Net Tax in the Reassessments

69. The CRA failed to audit to net tax pursuant to its statutory obligation in subs. 296(2.1) of the Act. Namely, the CRA's position is that EGR paid "missing traders" GST/HST where no GST/HST was payable for the various [baseless] audit theories raised above.
70. To the extent that EGR paid the "missing traders" GST/HST that was not due (which is denied), EGR paid these amounts as or on account of GST/HST that were not payable by EGR, it was entitled to a rebate for such amounts pursuant to s. 261 of the Act. As such, the CRA, in assessing EGR's net tax for the Reassessed Periods, was required to apply the

¹⁰ *SNP LP v. The Queen*, 2016 TCC 12.

amounts paid as an “allowable rebate” pursuant to subs. 296(2.1) of the Act, thus fully offsetting the ITCs denied by the CRA, in turn resulting in no change to EGR’s net tax.

Issue (e): CRA Improperly Applied s. 285 Penalties

71. The reasons provided in the statement of adjustments for issuing s. 285 penalties are as follows:

- EGR has sufficient knowledge of taxable supplies and the resources available to determine its obligations and liabilities under the Act;
- ITCs were claimed where no supply of scrap gold was made; and
- invoices were created to create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations.

72. As discussed above, bases (b) and (c) are completely baseless allegations that have no support in reality. The ITCs at issue were claimed based on transactions involving the purchase of scrap gold by EGR. Invoices issued referable to these transactions reflect the true nature of the legal relationships between EGR and the Ten Suppliers. EGR’s GST/HST returns claiming the ITCs at issue were completed and filed in accordance with its obligations and liabilities under the Act. As there is no basis for any GST/HST adjustments, there should be no s. 285 penalties.

73. In any event, EGR has not knowingly, or under circumstances amounting to gross negligence, made or participated in or acquiesced in the making of a false statement or omission in a return or any other document. The Reassessments of the s. 285 penalties should be overturned accordingly even if considered independently (which is not suggested, but denied).

RELIEF SOUGHT

74. With respect to Issue (a), the Reassessments should be amended to reduce EGR's net tax in respect of the Reassessed Periods by a total of approximately \$9,994,443.28.¹¹
75. With respect to Issue (b), the Reassessments should be amended to reduce EGR's net tax in respect of the Reassessed Periods by a total of approximately \$9,994,443.28.¹²
76. With respect to Issue (c), the Reassessments should be amended to reduce EGR's net tax in respect of the Reassessed Periods by a total of approximately \$9,994,443.28.¹³
77. With respect to Issue (d), the Reassessments should be amended to reduce EGR's net tax in respect of the Reassessed Periods by a total of approximately \$9,994,443.28.¹⁴
78. With respect to Issue (e), the Reassessments should be amended to eliminate the section 285 penalties levied against EGR by a total of approximately \$2,517,337.60.¹⁵

¹¹ All interest assessed and any related penalties should be reduced accordingly. This amount constitutes the total of the amounts assessed by CRA as denied ITCs.

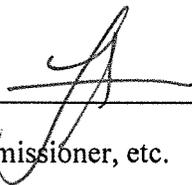
¹² All interest assessed and any related penalties should be reduced accordingly. This amount constitutes the total of the amounts assessed by CRA as denied ITCs.

¹³ All interest assessed and any related penalties should be reduced accordingly. This amount constitutes the total of the amounts assessed by CRA as denied ITCs.

¹⁴ All interest assessed and any related penalties should be reduced accordingly. This amount constitutes the total of the amounts assessed by CRA as denied ITCs.

¹⁵ This amount constitutes the total of the s. 285 penalties levied against EGR.

This is **Exhibit "BB"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE ABULVYAN', written over a horizontal line.

A Commissioner, etc.

JANINE ABULVYAN - 80807R

TAX COURT OF CANADA

B E T W E E N:

EXPRESS GOLD REFINING LTD.

Appellant

- and -

HER MAJESTY THE QUEEN

Respondent

NOTICE OF APPEAL

1. The Appellant has its principal place of business at 215 Victoria Street #400, Toronto, Ontario M5B 1T9.
2. The twenty-six reassessments under appeal are dated July 22, 2019 and were issued under the *Excise Tax Act*¹ (the “Act”) for the Appellant’s corresponding monthly Goods and Services Tax/Harmonized Sales Tax (“GST/HST”) reporting periods from June 1, 2016 to July 31, 2018 (the “Reassessments” and the “Reporting Periods”).

OVERVIEW

3. The Reassessments increase the Appellant’s net tax for the Reporting Periods by approximately \$10 million, attributable to denied input tax credits (“ITC(s)”) claimed by the Appellant in accordance with section 169. They are based on a number of alternative, alleged theories including that the suppliers at issue are

¹ In this Notice of Appeal, all statutory references are to the *Excise Tax Act*, (R.S.C., 1985, c. E-15) unless otherwise indicated.

“missing traders” and, as a result, did not make taxable supplies to the Appellant, or alternatively, the supplies were a part of a “carousel scheme”, or alternatively, the supplies were made by persons other than those indicated on invoices.

4. The Reassessments are wrong as the assumptions and the theories underlying them are, respectively, false and baseless. In particular, the Appellant is entitled to the ITCs at issue, as they were properly claimed in its returns and the requisite information was maintained.
5. There was nothing nefarious about the Appellant's purchases of scrap metal for which GST/HST was paid and corresponding ITCs were claimed, as the Appellant did purchase such scrap metal acting in good faith at all relevant times.
6. Moreover, even if ITCs were somehow not available (which is denied), the Reassessments would still be wrong as the Respondent, in reassessing the Appellant, was required to apply an “allowable rebate” equal to the same amounts of the denied ITCs pursuant to subsection 296(2.1).

MATERIAL FACTS

The Appellant's Business

7. The Appellant was incorporated under the laws of Ontario in 1994. Since that time, the Appellant has been engaged in the business of facilitating the refining of scrap metals into precious metals using third party refiners. The Appellant's business primarily involves:
 - a) the purchase of scrap metal (typically in the form of gold jewelry or melted gold bars);

- b) the facilitation of refining the scrap metal into precious metals (typically pure gold); and
 - c) the sale of the precious metals (refined to a purity level of at least 99.5% in the case of gold).
8. The Appellant is a family-owned and operated business which currently employs 14 people, including principals. It was founded by Nabil Salama, a third generation precious metal dealer and jeweler as well as a lawyer in Egypt, active in the precious metal industry. Since 2001, Nabil Salama's son, Atif Salama, an Ontario licensed Professional Engineer, has been in charge of the Appellant's operations.
9. To carry on its business, the Appellant maintains a 5200 square foot facility which comprises a dedicated customer area, with 11 customer booths as well as 5 induction furnaces, 1 gas torch, 1 large burning oven, 3 x-ray assay machines, 3 wet chemical analysis assay machines, 13 scales, 2 class 3 safes, and multiple desks and computers.
10. The facility and these items were used to perform the following functions:
- a) weigh the scrap metal before and after melting;
 - b) melt the scrap metal in the presence of the supplier;
 - c) perform multiple analysis methods to accurately determine precious metal content (*i.e.*, purity);
 - d) secure the scrap metal after melting to be sent to the third-party refiner; and
 - e) have precious metals (refined to a purity level of at least 99.5% in the case of gold) available for resale.

11. For each transaction, multiple employees of the Appellant are involved in the various functions mentioned in the preceding paragraph.
12. At all times, the Appellant exercised significant diligence and took reasonable precautions before onboarding suppliers as clients. Specifically, the Appellant followed meticulous processes to identify its suppliers, obtain their information and verify their GST/HST numbers when attending the Appellant's premises to sell scrap metal. The Appellant recorded this information and maintained its client records accordingly.
13. As a Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") reporting entity, the Appellant complied with strict FINTRAC rules regarding client identification.
14. During the Reporting Periods, the Appellant transacted business with approximately 1300 different suppliers, consisting primarily of jewelers and resellers.
15. Each of those suppliers attended the Appellant's premises where they sold the Appellant scrap metal and charged GST/HST, which was paid by the Appellant and claimed by the Appellant as ITCs.
16. All amounts paid by the Appellant in respect of GST/HST charged by the various suppliers were paid by the Appellant to the suppliers as and/or on account of GST/HST and/or were taken into account as GST/HST.
17. For each purchase and sale, supporting documentation, including invoices, was prepared in the normal course of business to reflect the actual transactions that took place between the Appellant and each of its suppliers.

18. Every purchase of scrap metal made by the Appellant was placed into a lot to be forwarded to a third-party refiner and is reflected in the documentation with the Appellant's third-party refiner who received and refined such scrap metal.
19. The third-party refiner returned the refined product to the Appellant in bar form as a precious metal (refined to a purity level of at least 99.5% in the case of gold), and each precious metal bar contained a serial number stamped by the third-party refiner. When the Appellant sold the refined precious metal bar, this serial number was listed on the corresponding invoice issued by the Appellant.
20. Over the years, and during the Reporting Period, the Appellant dealt with well-established third-party refiners, including the Royal Canadian Mint and, primarily, Asahi Refining Canada Limited ("Asahi Refining"). Asahi Refining is the Canadian subsidiary of Asahi Holdings, Inc., a publicly-listed company on the Tokyo Stock Exchange.
21. While its sales volume has been high, due in part to the high value of gold, the Appellant's profit margin on precious metal transactions is small (*i.e.*, 2% or less). Specifically, :
 - a) the Appellant purchased its scrap metal based on the volume of gold/precious metal content times a set rate;
 - b) in turn, the Appellant sold the refined product (*i.e.*, the precious metal/pure gold) at a set rate that is only 2% or less higher than the set rate for which it purchased the scrap metal; and
 - c) from that approximately 2% margin, the Appellant had to pay its operating expenses.

GST/HST Returns

22. The Appellant is, and was at all material times, registered for the GST/HST pursuant to Part IX of the Act. Its GST/HST returns are due to be filed on a monthly basis.
23. The Appellant's monthly GST/HST returns typically include large amounts of ITCs (consisting of the GST/HST paid or payable by the Appellant to its suppliers) and a comparatively small amount of GST/HST collected (as it sells primarily zero-rated precious metal) resulting in net tax refunds claimed by the Appellant pursuant to paragraph 228(3)(b).
24. These returns (and underlying characterization of the supplies involved in the Appellant's business) are in accordance with a detailed, 12-page GST/HST Ruling issued in respect of the Appellant by the Canada Revenue Agency ("CRA") Rulings Directorate, Financial Institutions and Real Property Division at CRA Headquarters on January 29, 2013 (the "Ruling").

The Reassessments

25. On July 22, 2019, the Appellant received the Reassessments through its online CRA account. The Reassessments increased the Appellant's net tax for the Reporting Periods by denying approximately \$10 million in ITCs (the "Denied ITCs") and imposed gross negligence penalties under section 285.
26. The Appellant's total ITCs claimed for the Reporting Periods were \$129,235,595.67. The Reassessments allow \$119,207,263.40 of those ITCs (*i.e.*, over 92% of the ITCs claimed by the Appellant for the Reporting Periods).

27. After receiving the Reassessments, the Appellant received a Statement of Audit Adjustments from the CRA outlining the basis for the Reassessments, which alleged that:
- a) “ITCs totaling \$10,028,332.27 were claimed based on invoices from 10 different suppliers [(the “Ten Suppliers”)] where no supply of scrap gold was made”;
 - b) “The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations”;
 - c) The Ten Suppliers “did not, and in fact could not have, supplied the scrap gold purportedly purchased by [the Appellant]” and are “missing traders”... As these missing traders are said to deal directly with [the Appellant], and yet did not make supplies to [the Appellant], [the Appellant] must have direct involvement in the GST/HST scheme, tantamount to intentional deceit”; and
 - d) “Audit has concluded that all of these suppliers are missing traders, and as a result did not supply [the Appellant] with the scrap gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to [the Appellant], it would be our position that this scrap gold was a supply of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices.”

28. In connection with the Reassessments specifically, the Appellant also states:
- a) the Denied ITCs are referable to GST/HST paid by the Appellant on *bona fide* transactions with each of the Ten Suppliers, the Appellant having purchased the scrap metal in good faith;
 - b) each of the Ten Suppliers attended the Appellant's premises and sold the Appellant scrap metal for which the Appellant paid for;
 - c) at all times, the Appellant's intention was to purchase the scrap metal and it did in fact purchase the scrap metal from each of the Ten Suppliers;
 - d) these purchases are accurately reflected in the supporting documentation, including invoices;
 - e) each of the Ten Suppliers are real persons, not "missing traders", and attended the Appellant's premises to transact business just as all of the Appellant's other suppliers did;
 - f) each of the Ten Suppliers went through the same identification controls that all of the Appellant's other suppliers did;
 - g) each of the Ten Suppliers were GST/HST-registered on the date that the transactions occurred;
 - h) each of the Ten Suppliers charged the Appellant applicable GST/HST and the Appellant paid the amount of GST/HST charged on the relevant transactions through cheque or wire from the Appellant's bank account;
 - i) the Appellant paid the amount of GST/HST charged by the Ten Suppliers on the relevant transactions as and on account of GST/HST and the amount was taken into account as GST/HST;

- j) the Appellant acquired the scrap metal for the purpose of making a supply of precious metals, namely the supply of precious metals in bar form, refined to a purity level of 99.5% or more;
- k) within approximately 72 hours after each of those purchases, the Appellant forwarded the scrap metal purchased from each of the Ten Suppliers to Asahi Refining to be refined;
- l) the Appellant obtained sufficient evidence containing information to enable the amount of the Denied ITCs to be determined, in the form of supporting documentation, including invoices, prepared in the ordinary course of business, reflecting the purchases the Appellant made from each of the Ten Suppliers;
- m) the Appellant claimed the Denied ITCs based on this evidence;
- n) the Appellant did not receive or rely on invoices of accommodation to claim the Denied ITCs;
- o) this evidence was created in the ordinary course of business in respect of *bona fide* commercial transactions between the Appellant and the Ten Suppliers and it was not created to create the illusion of business activities or transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations;
- p) the Appellant claimed the Denied ITCs in its GST/HST returns for the Reporting Periods; and
- q) the Appellant was not involved in any sham, “carousel scheme” or any other nefarious activity, nor was the Appellant a knowing participant to a sham, “carousel scheme” or any other nefarious activity.

29. The Reassessments impose penalties on the basis of section 285. The factors cited by the CRA in applying section 285 penalties were:
- a) “The [Appellant] has sufficient knowledge of taxable supplies and the resources available to determine obligations and liabilities under the [Act]”;
 - b) “[The Denied ITCs] were claimed based on invoices from 10 different suppliers where no supply of scrap gold was made”; and
 - c) “The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations.”
30. In connection with the penalties specifically, the Appellant also states:
- a) the Denied ITCs were claimed in respect of GST/HST payable and paid on *bona fide* purchases of scrap metal from each of the Ten Suppliers;
 - b) the invoices issued in respect of the transactions with each of the Ten Suppliers were created in the ordinary course of business to reflect those *bona fide* transactions and the invoices were not created to create the illusion of business activities or transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations; and
 - c) the Appellant did not knowingly, or under circumstances amounting to gross negligence, make or participate in, assent to or acquiesce in the making of a false statement or omission in a return, application, form, certificate, statement, invoice or answer.

31. The Appellant has, over the years, strived to conduct its business in compliance with its legal obligations and with integrity. In particular:
- a) the Appellant turned away a number of potential suppliers when they failed to meet the Appellant's strict on-boarding requirements;
 - b) the Appellant stopped conducting business with anyone if it had a suspicion of illegal activity, including where the CRA communicated to the Appellant that specific suppliers might be in default or non-compliant with their GST/HST obligations; and
 - c) the Appellant has, for decades, cooperated with the Respondent over the course of several audits, the request leading to the Ruling and representations to the Respondent's representatives (namely, the CRA and the Department of Finance).
32. There was no reason apparent to the Appellant to treat transactions with each of the Ten Suppliers any differently than from transactions with any of the Appellant's other suppliers. No suspicion existed in respect of any of the Ten Suppliers at the time that the transactions occurred.
33. On August 20, 2019, the Appellant objected to the Reassessments and, as 180 days have passed since that date, the Appellant is hereby appealing to this Honorable Court pursuant to subsection 306(b).

ISSUES

34. The issues to be decided in this appeal are as follows:
- a) whether the Appellant is entitled to the Denied ITCs;
 - b) whether, in issuing the Reassessments, the CRA failed to apply an allowable rebate equal to the amount of the Denied ITCs; and
 - c) whether the Appellant is liable for gross negligence penalties.

STATUTORY PROVISIONS

35. The Appellant relies on the following provisions of the Act and regulations:
- a) the definitions of “business”, “commercial activity”, “consideration”, “financial instrument”, “financial service”, “precious metal”, “recipient”, “sale”, “service”, “supplier”, “supply”, “taxable supply” and “zero-rated supply” in subsection 123(1) of the Act;
 - b) the following sections of the Act: 153, 165, 169, 221, 222, 225, 228; 229; 240; 242; 261; 275; 285; 296; and 301.
 - c) section 3 of Part IX of Schedule VI of the Act;
 - d) all relevant provisions in the *Input Tax Credit Information (GST/HST) Regulations* (the “ITC Regulations”); and
 - e) any other provisions of the Act or the regulations made under the Act that pertain to the issues and reasons set out herein.

REASONS

Issue (a): The Appellant is Entitled to the Denied ITCs

36. Pursuant to section 169, the Appellant is entitled to the Denied ITCs if:
- a) the Appellant acquired the scrap metal during a reporting period of the Appellant during which it was a registrant;
 - b) GST/HST in respect of the supply of the scrap metal became payable by the Appellant or was paid by the Appellant without having become payable;
 - c) the Appellant acquired the scrap metal for consumption, use or supply in the course of its commercial activities; and
 - d) the Appellant obtained sufficient evidence in such form containing information to enable the amount of the ITCs to be determined, including information prescribed in the ITC Regulations.
37. These elements (a) through (d) were each met with respect to the Denied ITCs.
38. With respect to element (a), the Appellant acquired the scrap metal during a reporting period of the Appellant during which it was a registrant, for which the Denied ITCs were claimed. Each of the Ten Suppliers attended the Appellant's premises and sold the Appellant scrap metal, for which the Denied ITCs were claimed.
39. With respect to element (b), GST/HST in respect of the supply of the scrap metal became payable by the Appellant, as each sale of scrap metal by each of the Ten Suppliers to the Appellant constituted a non-zero-rated, GST/HST-taxable supply, and was thus subject to 13% GST/HST pursuant to section 165; wholly in accordance with the Ruling.

40. The Ten Suppliers charged the Appellant GST/HST representing 13% of the price of the scrap metal.
41. Further, and in the alternative, to the extent that GST/HST did not become payable (which is strictly denied), the Appellant paid GST/HST on the relevant transactions, thus meeting element (b).
42. With respect to element (c), the Appellant acquired the scrap metal for supply in the course of its commercial activities, namely, in making its taxable supply of precious metals, which were zero-rated financial services pursuant to section 3 of Part IX of Schedule VI of the Act, and thus subject to GST/HST at a 0% rate pursuant to subsection 165(3).
43. With respect to element (d), the Appellant obtained sufficient evidence in such form containing such information to enable the amount of the ITCs to be determined, including information prescribed by the ITC Regulations. This evidence was in the form of supporting documentation, including invoices, prepared in the ordinary course of business.
44. The Appellant reported the Denied ITCs in its calculation of net tax in its GST/HST returns for the Reporting Periods pursuant to sections 169 and 228. Pursuant to section 225, the Denied ITCs were properly claimed as ITCs and included in the Appellant's calculation of net tax for the Reporting Periods.

The Respondent's Three Reassessment Theories are Baseless

45. It would appear that the Reassessments are based on two or, perhaps, three alternative theories as follows: (1) no scrap metal was supplied to the Appellant; (2) any supply of scrap metal was part of a "carousel scheme"; and (3) the

supply of scrap metal was not made by the Ten Suppliers. These alternative theories are each specifically addressed as follows.

46. Reassessment theory (1) is baseless because the Ten Suppliers each attended the Appellant's premises with scrap metal and sold scrap metal to the Appellant, which constituted a GST/HST-taxable supply subject to 13% GST/HST.
47. Reassessment theory (2) is baseless because the scrap metal purchased by the Appellant was not part of a carousel scheme nor was the Appellant a knowing participant to any carousel scheme.
48. The Appellant's entitlement to ITCs is not contingent on each of the Ten Suppliers remitting GST/HST to the Respondent and/or not being involved in any sham, carousel scheme or any other nefarious scheme.
49. A sham requires that both parties to the transaction present their legal rights and obligations to the transaction in a manner that does not reflect the true legal rights and obligations, if any, that the parties intend to create. The legal rights of the Appellant and each of the Ten Suppliers are accurately reflected in the supporting documentation evidencing the scrap metal sales. As the Appellant did not have such intention, it cannot have been and was not part of a sham.
50. Reassessment theory (3) is baseless because each of the Ten Suppliers were the suppliers of the scrap metal made to the Appellant, forming the basis for the Appellant's claim for the Denied ITCs. Each of the Ten Suppliers attended the Appellant's premises and sold the Appellant taxable scrap metal, for which the Appellant paid applicable GST/HST and claimed the corresponding Denied ITCs. The ITC information maintained by the Appellant included each of the

Ten Suppliers and all other requisite information, therefore, the information requirements in subsection 169(4) and the ITC Regulations were met.

51. Further, and in the alternative, to the extent that the scrap metal was supplied by anyone other than the Ten Suppliers (which is strictly denied), the Ten Suppliers were either agents or intermediaries of the suppliers of the scrap metal. As such, the ITC information requirements in subsection 169(4) and the ITC Regulations were met.
52. Lastly, and in the further alternative, to the extent that the scrap metal was supplied by anyone other than the Ten Suppliers and the Ten Suppliers were not agents or intermediaries of the suppliers of the scrap metal (which is strictly denied), the Appellant is nonetheless entitled to the Denied ITCs. At all times, the Appellant exercised sufficient diligence and took reasonable precautions to establish the identity of the suppliers of the scrap metal, which is sufficient to establish its entitlement to the Denied ITCs.

Issue (b): The CRA Failed to Audit to Net Tax in the Reassessments

53. If, as the Respondent contends, no GST/HST was payable by the Appellant to each of the Ten Suppliers (which is strictly denied), the Reassessments would nonetheless be wrong in increasing the Appellant's net tax.
54. The Appellant paid the Ten Suppliers an amount equal to the Denied ITCs as and/or on account of GST/HST and/or that was taken into account as GST/HST.
55. Accordingly, if no GST/HST was in fact payable (which is strictly denied), the Appellant would have been entitled to a corresponding rebate pursuant to

section 261 if claimed in a rebate application made on the date specified in subparagraph 296(2.1)(a)(i).

56. In assessing the Appellant's net tax for the Reporting Periods, the Respondent was required to credit an amount equal to the Denied ITCs as an "allowable rebate" pursuant to subsection 296(2.1), thus resulting in no increase to the Appellant's net tax.

Issue (c): The CRA Improperly Applied Section 285 Penalties

57. As there is no basis for the GST/HST adjustments increasing net tax, section 285 penalties cannot apply. The Appellant's GST/HST returns accurately reflected the facts, namely:

- a) the Denied ITCs were claimed in respect of GST/HST payable and paid on *bona fide* purchases of scrap metal by the Appellant from each of the Ten Suppliers; and
- b) the invoices issued in respect of the transactions with each of the Ten Suppliers were created in the ordinary course of business to reflect those transactions made in good faith by the Appellant.

58. Further, and in the alternative, the Appellant has not knowingly, or under circumstances amounting to gross negligence, made or participated in or acquiesced in the making of a false statement or omission in a return or any other document. Accordingly, section 285 penalties do not apply and the Reassessments must be overturned accordingly.

RELIEF SOUGHT

59. The Appellant requests that this Honourable Court allow its appeal, with costs, and refer the Reassessments back to the CRA for reconsideration and reassessment on the basis that the Appellant is entitled to all ITCs claimed, including the Denied ITCs in the amount of \$10,028,332.27.²

Toronto, March 16, 2020.



BAKER & McKENZIE LLP

Suite 2100 - 181 Bay Street
Toronto, Ontario M5J 2T3

Jacques Bernier / Bryan Horrigan
Tel: (416) 865-6903 / (416) 865-3905
Fax: (416) 863-6275
jacques.bernier@bakermckenzie.com
bryan.horrigan@bakermckenzie.com

**Counsel for the Appellant,
Express Gold Refining Ltd.**

² The Reassessments make adjustments to credit the Appellant \$33,888.99 against its net tax for the Reporting Periods as compared to what the Appellant claimed in its GST/HST returns, based on the CRA's review of the Appellant's books and records. The Appellant accepts these adjustments and, therefore, requests that the CRA be directed to reassess the Appellant to allow that credit and allow the Denied ITCs.

This is **Exhibit "CC"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R

Federal Court



Cour fédérale

Date: 20200512**Docket: T-2085-18****Citation: 2020 FC 614****Ottawa, Ontario, May 12, 2020****PRESENT: Mr. Justice Pentney****BETWEEN:****EXPRESS GOLD REFINING LTD.****Applicant****and****THE MINISTER OF NATIONAL REVENUE****Respondent****JUDGMENT AND REASONS****I. Introduction**

[1] Express Gold Refining Ltd. (the Applicant) is in the business of buying scrap gold and other precious metals, and getting it refined for resale in a pure form. It pays the Goods and Services Tax or Harmonized Sales Tax (GST/HST) on its purchases, but does not collect this tax on its sales because the sale of refined precious metals are not subject to it. The Applicant is entitled to claim Input Tax Credits (ITCs) for the tax it has paid for these purchases, and these

credits exceed the GST/HST it has collected on other transactions. Therefore, it is in a constant position to be refunded a portion of the taxes it has paid, as a normal part of its business operations.

[2] The Applicant filed its return for the August 2018 reporting period, claiming a net tax refund of \$9,128,196.67. Subsequently, the Canada Revenue Agency (CRA) advised the Applicant that an audit of the return had started and that the net tax refund for that month was being withheld. The scope of the audit was later expanded to cover the period from June 1, 2016, to October 31, 2018, and the CRA advised the Applicant that it would not be receiving its August net tax refund or any refunds for subsequent months while the audit was underway.

[3] The Applicant claims that the Respondent has not complied with the obligation to pay the net tax refund “with all due dispatch” pursuant to subsection 229(1) of the *Excise Tax Act*, RSC 1985, c E-15 [the *Act*]. It seeks an order in the nature of *mandamus* to require the Respondent to pay the refunds before the audit is completed.

[4] For the reasons that follow, this application is dismissed.

II. Context

[5] The Applicant is a family-owned business that was founded in 1994. It buys scrap gold and other precious metals which are then refined by third parties so that it can be sold in a purified form. It has a large volume of transactions but says that its profit margins are very small.

[6] The Applicant files GST/HST returns on a monthly basis, as is permitted for enterprises that are in a tax refund position. The Applicant pays GST/HST on its purchases of scrap metal

from suppliers, but its sales of the refined precious metals are not subject to GST/HST, as they are “zero rated” transactions. The Applicant’s monthly GST/HST returns typically include large amounts of ITCs, consisting of the GST/HST it has paid or is payable to its suppliers and a much smaller amount of GST/HST collected. This results in a monthly net tax refund, pursuant to paragraph 228(3)(b) of the *Act*.

[7] In 2004 and again in 2010, the CRA launched audits of the applicant’s GST/HST net tax refund claims. The CRA withheld the Applicant’s net tax refunds for substantial periods of time while these audits were underway. The second audit required a ruling from the Excise and GST/HST Rulings Directorate, rendered in 2013, in relation to how the tax regime applied to aspects of the business, and this delayed the completion of this audit. Both audits resulted in reassessments being issued by the CRA, several years after each audit was commenced. The first reassessment resulted in a tax refund of over \$750,000 being paid to the Applicant, while the second showed it had taxes owing of almost \$900,000.

[8] In addition, the CRA has had ongoing and regular interactions with the Applicant regarding its dealings with third parties in the scrap gold industry. The Applicant states that it has always cooperated with the CRA whether about the two audits or these other information requests.

[9] On September 6, 2018, the Applicant filed its GST/HST return for the August 2018 reporting period, claiming a net tax refund of \$9,128,196.67 on sales of \$30,954,282.40. On October 4, 2018, the CRA advised it that the August 2018 return was under audit. The file was transferred to a different CRA office, and on November 6, 2018, the Applicant was advised that the scope of the audit was being expanded to cover the period from June 1, 2016, to October 31,

2018. In addition, the CRA indicated that it would not be paying the net tax refund for the August 2018 period or any subsequent periods, pending completion of the audit.

[10] The Applicant's return for the August 2018 reporting period had initially been flagged by an automatic system for further screening. The CRA had identified the scrap gold business as a high risk industry. The August 2018 return was reviewed by a screener and an extra risk analysis was conducted. It was selected for audit due to a substantial increase in the Applicant's net tax refund claims, which went from \$5.47 million for the fiscal year ending May 31, 2015, to \$74.7 million for the fiscal year ending May 31, 2018.

[11] In early November 2018, the Applicant's legal representatives wrote to the CRA to demand that it pay the August 2018 net tax refund, in accordance with the statutory duty set out in section 229 of the *Act*.

[12] The auditor replied on November 26, 2018, confirming that the audit scope had been expanded and that the Applicant's net tax refunds would be withheld for the duration of the audit. The letter explains that all GST/HST returns are systematically reviewed to identify errors or evidence of non-compliance, and that some refunds may be withheld while the account is under review, "to enable the CRA to ensure that registrants receive only the correct amount of refund to which they are entitled in order to protect the GST/HST revenue base." The rationale for the decision to withhold the refund is explained in the following paragraph:

Section 229 of the *Excise Tax Act* (Act) states that the Minister shall pay the refund to a person with "all due dispatch" after the return is filed. The phrase "all due dispatch" is not defined in the Act. The length of time for which the Minister can withhold a refund relating to a return is determined by the complexity of the file and the time required to complete a review of the return filed. This period may vary and is commensurate with the risk identified

in the file. Based on our review of your client's file in respect of the current period under audit, we have determined that it would be inappropriate to release the August 2018 tax refund [the Applicant] has claimed, or indeed subsequent refunds, until our audit is complete. With the continued cooperation of your client it is our intention to conduct and conclude this audit in a timely manner.

[13] In regard to the Applicant's concern regarding the impact of the delayed refund on its business, the auditor noted that one of the Applicant's agreements with its suppliers stated that it reserved the right to delay payment of the sales tax owing until the amount of tax has been either cleared or denied by the CRA. Based on this, the auditor indicated that the claim that the delay would force the business into bankruptcy appeared to be exaggerated, unless there were other circumstances of which they were not aware. The auditor affirmed that the CRA "is not attempting to compromise [the Applicant's] business but rather is acting in good faith in a manner consistent with its statutory mandate." The letter concludes: "As you can appreciate the refinement of precious metals involves complex transactions with multiple suppliers. As a matter of due diligence the CRA is required to verify whether there are any errors or omissions in terms of the reporting of these transactions."

[14] On December 6, 2018, the Applicant launched this application for an order in the nature of *mandamus* requiring the Respondent to pay the net tax refunds forthwith, and an order in the nature of *certiorari* quashing the decision to withhold the net tax refunds.

[15] The audit was still ongoing, as the auditors attended the Applicant's offices during the week of January 14, 2019, to conduct interviews and review documents.

[16] The matter was heard on July 3, 2019, and taken under reserve. On August 30, 2019, the Applicant wrote to the Court indicating it intended to bring a motion to re-open the hearing to

adduce new evidence about actions taken by the Respondent after the hearing. Subsequently, two motions were filed: the Applicant brought its motion to re-open the hearing to adduce new evidence, and the Respondent brought a motion to strike the affidavit filed by the Applicant in support of its motion. These motions are dealt with below.

III. Issues and Standard of Review

[17] There are two issues:

- A. Should *mandamus* issue to force the Respondent to pay the net tax refunds claimed by the Applicant?
- B. Should the Applicant's motion to re-open the hearing to adduce new evidence be granted?

[18] The traditional standard of review analysis does not apply to either issue, except in relation to the challenge to the CRA's interpretation of subsection 229(1) of the *Act*. The Applicant submitted that this was subject to correctness review, but in light of the Supreme Court of Canada decision in *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65 at paras 108-124, this is subject to review on a standard of reasonableness.

IV. Analysis

A. *Should mandamus issue to force the Respondent to pay the net tax refunds claimed by the Applicant?*

(1) Legal Framework

[19] This case turns on the interpretation of subsection 229(1) of the *Act*:

Payment of net tax refund

229 (1) Where a net tax refund payable to a person is claimed in a return filed under this Division by the person, the Minister shall pay the refund to the person with all due dispatch after the return is filed.

**Paiement du
remboursement de taxe
nette**

229 (1) Le ministre verse avec diligence le remboursement de taxe nette payable à la personne qui le demande dans sa déclaration produite en application de la présente section.

[20] The Applicant claims that the CRA’s failure to pay its net tax refund “with all due dispatch” should result in an order in the nature of *mandamus*. The test for *mandamus* was set out by the Federal Court of Appeal in *Apotex Inc v Canada (Attorney General)*, [1994] 1 FC 742, [1993] FCJ No 1098 (QL) [*Apotex*], aff’d [1994] 3 SCR 1100, [1994] SCJ No 113 (QL), and summarized recently in *Canada (Health) v The Winning Combination Inc*, 2017 FCA 101 (leave to appeal to SCC denied: 2018 CanLII 30056) at paragraph 60:

- (1) there must be a legal duty to act;
- (2) the duty must be owed to the applicant;
- (3) there must be a clear right to performance of that duty;
- (4) where the duty sought to be enforced is discretionary, certain additional principles apply;
- (5) no adequate remedy is available to the applicant;

- (6) the order sought will have some practical value or effect;
- (7) the Court finds no equitable bar to the relief sought; and
- (8) on a balance of convenience an order of *mandamus* should be issued.

(2) Position of the Applicant

[21] The Applicant argues that the Respondent has blindly applied a flawed policy based on its incorrect interpretation of subsection 229(1) of the *Act*. It submits that it has met all of the elements of the *Apotex* test for *mandamus*. The provision creates a public legal duty on the CRA to pay a refund, and that duty is owed to the Applicant because it has filed its GST/HST returns claiming a net tax refund for the applicable periods, and thus it has met the first two elements of the *Apotex* test.

[22] The crux of the Applicant's argument is that it has a clear right to be paid the refund, because subsection 229(1) requires the refund to be paid notwithstanding any review or audit that the CRA may undertake. The Applicant points to the accepted approach to statutory interpretation set out by the Supreme Court of Canada, which requires a textual, contextual, and purposive analysis to determine the meaning of subsection 229(1) in a manner that is harmonious with the *Act* as a whole (*Canada Trustco Mortgage Co v Canada*, 2005 SCC 54 at para 10 [*Canada Trustco*] and *Copthorne Holdings Ltd v Canada*, 2011 SCC 63 at para 70). The Applicant submits that this interpretation supports the conclusion that it has satisfied the third element of the *Apotex* test. The Applicant contends that the text of subsection 229(1) is clear and unambiguous. The relevant part states that the "Minister shall pay the refund to the person with all due dispatch after the return is filed." This creates a positive obligation on the CRA to pay a

net tax refund once it is claimed. The French version of the provision confirms this interpretation: “Le ministre verse avec diligence le remboursement de taxe nette payable à la personne qui le demande dans sa déclaration [...]”

[23] The context for this provision also supports this interpretation, according to the Applicant. The provision is set out in the division of the *Act* entitled “Collection and Remittance of Division II Tax” which establishes the self-reporting system by which registrants file periodic returns that calculate their “net tax.” This self-reporting system is separate and apart from the CRA auditing and compliance powers, which are set out in a separate division of the *Act*. This architecture suggests that the obligation to pay the net tax refund was intended to arise upon the submission of the return and not the exercise of the CRA’s audit and assessment powers.

[24] The obligation to pay a refund is subject to specific limitations set out in subsections 229(2) and (2.1), which state that the CRA is not obliged to do so where the claimant has not filed its returns under various taxation statutes, or where the CRA is not satisfied that the claimant’s contact information is accurate. If Parliament wanted to incorporate other restrictions on the obligation to pay the refund, it could have done so explicitly.

[25] The Applicant contrasts the mandatory wording of subsection 229(1) with other provisions that make specific reference to the CRA making an assessment before paying an amount owing. For example, section 297 of the *Act*, which sets out the process for obtaining a GST/HST rebate, provides at subsection 297(1) that “[o]n receipt of [a rebate] application... the Minister shall, with all due dispatch, consider the application and assess the amount of the rebate, if any, payable to the person.” Subsection 297(3) provides that where on “assessment... the Minister determines that a rebate is payable to a person, the Minister shall pay the rebate to the

person.” This is similar to subsection 152(1) of the *Income Tax Act*, RSC 1985, c 1 (5th Supp) [ITA] which states that the “Minister shall, with all due dispatch, examine a taxpayer’s return of income for a taxation year, assess the tax for the year... and determine (a) the amount of the refund...for the year; or (b) the amount of tax... for the year.” To a similar effect, subsection 152(1) and paragraph 164(1)(b) of the ITA make clear that an obligation to pay a refund to a taxpayer only arises following an assessment.

[26] The Applicant contrasts these provisions, which include a specific duty on the Minister to assess the claims with all due dispatch in order to determine the amount owing or due, with subsection 229(1), which simply states that the Minister shall pay a refund once it is claimed. The difference in the wording of these provisions must be given effect in order to reflect Parliament’s clear intention in adopting them; otherwise the Court is, in effect, redrafting section 229, which is contrary to well-established principles of interpretation of tax legislation (*Friesen v Canada*, [1995] 3 SCR 103 at para 27; *Markevich v Canada*, 2003 SCC 9 at para 16).

[27] In addition, section 296 of the *Act* grants the Minister the power to assess the GST/HST obligations of registrants and obligates it to pay a refund where an assessment is issued which shows that an amount is due to a registrant. This means that the CRA already has an obligation to pay a refund to a registrant following an assessment. Therefore, an interpretation of subsection 229(1) that allows the CRA to delay paying a refund until after an audit would render section 296 redundant, which is also contrary to the accepted principles of statutory interpretation (*Placer Dome Canada Ltd v Ontario (Minister of Finance)*, 2006 SCC 20 at para 45).

[28] The Applicant submits that the purpose of the provision in the context of the overall GST/HST scheme also requires that the CRA’s duty to pay the net tax refunds not be delayed

pending the completion of an audit. The GST/HST is a tax on consumption to be paid by the end consumer, not by the person supplying the goods or services. To achieve this, the legislation incorporates the concept of ITCs whereby registered businesses are granted credits for the GST/HST paid on their inputs. The requirement for the CRA to pay ITCs on a timely basis was built into the design of the system, and it was recognized that certain businesses would be in a continuous net tax refund situation (Minister of Finance, “GST/HST Overview Paper”, August 1989, page 4). This explains why such businesses can opt to submit monthly returns (Minister of Finance, “GST/HST Technical Paper”, August 1989, Part C ss 1 and 2.8(a)).

[29] The jurisprudence in Canada and elsewhere also supports an interpretation that requires payment of the refund before completion of any audit or assessment. The Applicant notes that subsection 229(1) has only been considered in two decisions, which were interrelated. In *Nautica Motors Inc v Canada (Minister of National Revenue)*, 2002 FCT 442 [*Nautica Motors*], the Court granted an order of *mandamus* compelling the CRA to process the HST returns filed by the company, but did not grant an order for the CRA to issue the credit returns that were owing. In the related case of *Cambridge Leasing Ltd v Canada (Minister of National Revenue)*, 2003 FCT 112 [*Cambridge Leasing*], the Court refused to grant an order of *mandamus* because by the time the matter was heard, the CRA had issued a Notice of Assessment and the company had filed a Notice of Objection. It was thus not appropriate to issue equitable relief.

[30] The Applicant contends that these decisions are of limited value as precedents for this case, because the companies in those two cases did not invoke subsection 229(1) of the *Act* in their notices of application and therefore the interpretation of that provision was not squarely before the Court.

[31] Similarly, the Applicant submits that the jurisprudence interpreting the term “with all due dispatch” in the *ITA* is of limited application here, because those cases involved an obligation to assess income tax returns with all due dispatch, and thus are different from the duty set out in subsection 229(1) (*Ginsberg v Canada*, [1994] 2 CTC 2063; *Madore v Canada (Attorney General)*, 2018 FC 244 [*Madore*]).

[32] Instead, the Applicant points to jurisprudence from other jurisdictions. In *Multiflex Pty Ltd v Commissioner of Taxation*, [2011] FCA 1112, the Federal Court of Australia issued an order of *mandamus* in relation to a provision similar to subsection 229(1), in a situation where the tax authorities had withheld a refund pending an investigation of suspected fraud. The court found that the obligation to pay the refund did not depend on and was not affected by the making of an assessment, and that a requirement to pay before any such assessment gave predictability and immediacy to the short-term cash flow requirements of the registered business. This was upheld on appeal ([2011] FCAFC 142), and leave to appeal was denied ([2011] HCATrans 344).

[33] To a similar effect, the European Court of Justice also considered a case where a taxation authority withheld a portion of a net tax refund, and found that the relevant legislation did not authorize the authority to defer the refund pending the examination of the taxpayer’s return (*Mednis v Valsts*, [2012] ECJ C-525/11 at para 33).

[34] Finally, the Applicant argues that the other elements of the *Apotex* test for *mandamus* are satisfied: the CRA has a duty to pay it the refunds; it has satisfied the prerequisites to trigger the statutory duty and the CRA has not offered a reasonable justification for its failure to pay; there is no other adequate alternative remedy available; the order will have practical value because the delay in receiving the refund is having a dramatic impact on the Applicant’s business; and, an

order for the CRA to pay the net tax refund is warranted by equity and the balance of convenience. The CRA has not alleged or established any wrongdoing by the Applicant.

[35] The Applicant does not dispute that the CRA is entitled to launch an audit if it wishes to do so, after paying the net tax refund. However, it argues that “confiscation of all ITC refunds for a year or more without legal authority is blatantly unfair and unreasonable.”

(3) Position of the Respondent

[36] The Respondent advances three arguments: (i) the Applicant’s interpretation of subsection 229(1) is incorrect; (ii) the *mandamus* request is premature; and (iii) even if the request is not premature, the Applicant has not met the test for *mandamus*. It argues that in the context of this case, the Applicant has not demonstrated that it deserves the extraordinary relief of *mandamus*.

[37] First, the Respondent submits that a reasonable interpretation of subsection 229(1) requires the CRA to determine with all due dispatch whether a refund is payable. It does not require that the refund be paid without that determination. Pursuant to section 275 of the *Act*, the Minister has a duty to assess GST in accordance with the statute, and the law does not provide any discretion in making this assessment (*Canada Revenue Agency v Tele-Mobile Company Partnership*, 2011 FCA 89 at paras 4-5 [*Tele-Mobile*]; *Canada (Minister of National Revenue) v JP Morgan Asset Management (Canada) Inc*, 2013 FCA 250 at paras 77-78 [*JP Morgan*]). Once that assessment is done, if a net tax refund is payable to the registrant, it must be paid with all due dispatch.

[38] This is consistent with the jurisprudence, in particular the *Nautica Motors* and *Cambridge Leasing* decisions.

[39] This is also consistent with the overall context and object of the *Act*. The Supreme Court has found that the *Act* “has no purpose other than to raise revenue for the federal government...” (*Reference re Excise Tax Act*, [1992] 2 SCR 445 at 468). Consistent with this purpose, the government adopted the statute to raise revenue and to seek to prevent revenue loss. While the obligation to issue refunds is acknowledged, the government also indicated when it created the regime that “correct payments of credit returns and rebate claims are to be made as quickly as possible” (Michael H. Wilson, *Goods and Services Tax: An Overview* (Ottawa, Department of Finance, 1989), section 15.5.2). This is not consistent with the Applicant’s position, which urges that the Court interpret subsection 229(1) as imposing a “pay first, audit later” regime.

[40] The Respondent submits that it is acting with all due dispatch in seeking to complete the audit. In *Jolicoeur v Canada (Minister of National Revenue)*, [1961] ExCR 85 [*Jolicoeur*] the Court interpreted the phrase “with all due dispatch” and concluded that it could not be interpreted as establishing a fixed period of time for an assessment, in view of the variety of taxpayers, claims and issues that may arise in the administration of the statute. In another case, the Federal Court of Appeal described it as “an elastic standard that gives the Minister sufficient discretion to determine that a particular return should not be assessed until after a detailed review” (*The Queen v Imperial Oil Ltd*, 2003 FCA 289 at para 9 [*Imperial Oil*]).

[41] In *Nautica Motors*, the case involved returns filed in 1998 for a period from March to May. The audit was commenced in July 1998 and the application for *mandamus* was heard in

December 2001, three years later. The Court granted *mandamus*, ordering the Minister to issue assessments and make a determination whether or not any refund was due.

[42] This timeline can be contrasted with the situation in this case: the Applicant filed its August 2018 return in early September 2018, and the audit was launched in October 2018; the Applicant wrote to demand immediate payment of the refund in early November 2018, and then launched this Application in December 2018.

[43] The CRA anticipated that the audit would be completed by September 2019, 11 months after it began. This is a reasonable delay within which to complete this audit. The scrap gold industry has been identified as high risk (see *TricomCanada Ltd v The Queen*, 2016 TCC 8). The Applicant reported sales of over \$348 million for the 2017 fiscal year and over \$364 million for the 2018 fiscal year. These sales are comprised of a large number of transactions, and the auditor must collect information from both the Applicant and third parties. This is a complex audit, which is being completed “with all due dispatch.”

[44] Second, the Respondent argues that the *mandamus* request is premature. One of the requirements set out in *Apotex* is that the applicant must give reasonable time to the decision-maker to comply with its demand for performance of the legal duty. The Respondent admits that it owes a legal duty to the Applicant pursuant to subsection 229(1) of the *Act* to make a determination whether or not a net tax refund is due, and it agrees that this must be done with all due dispatch. However, in light of the sequence of events reviewed above, the Respondent submits that a reasonable time for the performance of this duty had not expired before the commencement of the *mandamus* application.

[45] The Respondent contends that this is similar to the situation in *Madore*, where the Court refused to issue *mandamus* on the basis that it was premature. The Court refused *mandamus*, because the Minister was acting without undue delay.

[46] The Respondent submits that the Applicant's request is premature, because it is undertaking a complex audit with all due dispatch, and the Applicant had demanded payment of the net tax refund before a reasonable time had elapsed, and then launched this application.

[47] Finally, in the alternative, the Respondent argues that *mandamus* should not issue because such an order would not be of practical value to the Applicant, and the balance of convenience weighs against granting such relief.

[48] The Respondent submits that even if an order of *mandamus* is granted, the Minister must still assess the Applicant's tax liability; the Court cannot stop the Minister from carrying out this mandatory statutory duty, and the Minister has no discretion in the application of the law (*JP Morgan* at para 78; *Tele-Mobile* at para 4). Therefore, if the audit findings thus far do not support the Applicant's claims of a net tax refund, the Minister has no discretion to pay the claimed amount. Without knowing the result of the audit, the Minister cannot carry out the request. Once the audit is complete and an assessment is issued, the Applicant can exercise its appeal rights in the Tax Court of Canada.

[49] Finally, the Respondent submits that the balance of convenience weighs in favour of not issuing *mandamus*, because such an order will likely create a demand for immediate payment of any refunds owing to the Applicant and other registrants, without giving the Minister adequate time to assess them. This would leave the tax system vulnerable to abuse, and could create an

incentive to file a fraudulent tax return, knowing that the refund would be paid automatically and the subsequent audit and enforcement process would take time to complete. This could lead to a loss of revenue for the government of Canada, which would defeat one of the objectives of the legislation.

(4) Discussion

[50] There is no dispute that the first two elements of the *Apotex* test are met in this case: subsection 229(1) sets out a clear legal duty, and the Respondent has not claimed that the Applicant is not eligible to receive a refund if one is due.

[51] The crux of the issue is whether a reasonable interpretation of subsection 229(1) requires that a refund be paid before an assessment or audit is completed. The Applicant argues that this is what is meant by the reference to payment “with all due dispatch” in that provision. In the alternative, the Applicant contends that in this case the time for performing an audit with all due dispatch has expired. I am not persuaded.

[52] The accepted approach to statutory interpretation requires an assessment of the text, context, and purpose of the provision. In this case, the text of subsection 229(1) of the *Act* is clear and unambiguous: “[w]here a net tax refund... is claimed in a return... the Minister shall pay the refund... with all due dispatch after the return is filed” (the French version is equally clear: “Le Ministre verse avec diligence le remboursement [...]”). The Respondent agrees with the Applicant that it has an obligation to pay a net tax refund with all due dispatch. The only point in dispute is whether a reasonable interpretation of this means that the refund must be paid before any assessment or audit of the claim is completed.

[53] A review of the text in its context involves a consideration of the other subsections of the same provision, as well as related provisions. To begin, it should be noted that both subsections 229(2) and (2.1) provide for a verification by the Minister that returns have been filed and other business information is accurate. These provisions contemplate some examination of the return by the Minister. More importantly, in my view, subsection 229(3) provides that interest is to be paid on a net tax refund after a thirty day period following filing. This provision indicates that Parliament had contemplated that some refunds would not be paid immediately, and indeed that some would be paid more than a month after filing. This is undoubtedly a measure to ensure tax fairness to the registrants, but it is also a clear indication that it was contemplated that in some instances a sufficient period of time would elapse between the filing of the return and the paying of a net tax refund to require that interest should be paid on the amount owing to the taxpayer.

[54] The Applicant submits that the difference in wording between subsection 229(1) and other similar provisions is relevant, because other sections that require a payment or refund to be provided “with all due dispatch” make clear that this is following an assessment of the return. The absence of those words in subsection 229(1) must mean that the obligation to pay the refund arises separate and apart from any verification process. While the Applicant does not dispute the authority of the CRA to undertake an audit, it argues that it should not have to wait for its refund until the audit is completed.

[55] In my view, the context for the provisions makes it clear that finding that the obligation to pay the refund with all due dispatch was not intended to displace the Minister’s obligation to verify the claim is not unreasonable. The Respondent has adopted a reasonable interpretation of

the provision, which requires that the Minister must act with due dispatch in determining whether a refund is due, and if so, to pay it without delay.

[56] The net tax of a registrant for a particular period is calculated pursuant to section 225 of the *Act*, and is reflected in the return filed by that person for the relevant period. The Minister has a duty to assess the GST owing (or return due), pursuant to section 275 (*Tele-Mobile* at paras 4-5; *JP Morgan* at paras 77-78). Subsection 296(1) provides: “The Minister may assess (a) the net tax of a person under Division V for a reporting period of the person; (b) any tax payable by a person under Division II, IV or IV.I...” (subsection 229(1) is in Division V). Once this process is complete, the Minister will issue an assessment to the registrant, who can then object pursuant to section 301 of the *Act* and appeal to the Tax Court of Canada pursuant to section 302.

[57] I am not persuaded by the Applicant’s argument that subsection 296(1) is made redundant by an interpretation of subsection 229(1) which permits the Minister to delay paying a net tax refund pending the results of an audit. Rather, the two provisions must be interpreted together. The words are to be read “in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act and the intention of Parliament” (*Canada Trustco* at para 10 citing *5302 British Columbia Ltd v Canada*, [1999] 3 SCR 804 at para 50). The goal is to “find a meaning that is harmonious with the Act as a whole” (*Canada Trustco* at para 10).

[58] Subsection 229(1) imposes an obligation to pay a net tax refund, if one is found to be owing, with all due dispatch. Subsection 296(1) confirms that the Minister can assess a claim for a net tax refund. This does not displace the requirement that any refund found to be owing must be paid without delay.

[59] Other provisions require the Minister either to assess a claim or pay a refund or rebate following an assessment, and to do this with all due dispatch or without delay. This does not mean that the different wording of subsection 229(1) must lead inexorably to an interpretation that forbids such a review before making an assessment or conducting an audit. The different provisions play different roles in the legislative schemes, and it should be noted that some provisions, such as paragraph 164(1)(b) of the *ITA*, match the wording of subsection 229(1). This is discussed below in the analysis of the *Madore* decision. There is not one uniform approach to the wording of the different provisions, and the scheme must be examined as a whole.

[60] This interpretation of subsection 229(1) is reinforced by the wording of subsection 299(1) of the *Act*:

Minister not bound

299 (1) The Minister is not bound by any return, application or information provided by or on behalf of any person and may make an assessment, notwithstanding any return, application or information so provided or that no return, application or information has been provided.

Ministre non lié

299 (1) Le ministre n'est pas lié par quelque déclaration, demande ou renseignement livré par une personne ou en son nom; il peut établir une cotisation indépendamment du fait que quelque déclaration, demande ou renseignement ait été livré ou non.

[61] Viewed in its legislative context, a reasonable interpretation of subsection 299(1) is that the Minister may choose to audit a claim for a net tax refund, in order to determine whether the amount is properly claimed. The Minister must do so, and must pay any refund owing, with all due dispatch. Equally, the Minister may decide to conduct only a cursory review of the return and pay the refund without further examination. This is for the Minister to decide. It is not a “pay first, audit later” system, as proposed by the Applicant.

[62] The operation of the system as set out in the statute is demonstrated by the history of this case. The Applicant's August 2018 return was initially screened by an automated system, which identified it for further screening. This had been done for many previous returns, which had then been paid without further review. The August 2018 review, however, was reviewed by a CRA screener who conducted a further risk analysis, which showed that the Applicant's annual net tax refund claims had increased from \$5.47 million for the fiscal year ending May 31, 2015, to \$74.7 million for fiscal year ending May 31, 2018. In light of this increase, the return was selected for audit. All of this must be examined against the backdrop of the CRA identifying the scrap gold business as a high risk industry.

[63] Based on this, it is clear that the CRA had a valid reason to initiate the audit. There is no allegation that it was done for some ulterior purpose not related to the CRA's mandate to ensure proper administration of the tax system.

[64] As noted earlier, pursuant to its policy, the CRA then expanded the audit to cover the period from June 1, 2016, to October 31, 2018. Again, on the evidence it appears that this was done pursuant to a general CRA policy regarding audit coverage. In addition, the Respondent notes that it had already paid out \$74.7 million for net tax refunds for the fiscal year ending May 31, 2018, and thus the Applicant had received its refunds for 26 of the 29 reporting periods covered by the expanded audit.

[65] The interpretation of subsection 229(1) is also consistent with the relevant case-law. The jurisprudence has consistently found that the term "with all due dispatch" and similar expressions do not set a specific deadline by which the Minister must complete an obligation set out in the *Act* or the *ITA*. Rather, this has been interpreted as an "elastic standard" which must be

examined in the context of the particular facts of each case (*Imperial Oil* at para 9; *Jolicoeur* at para 47).

[66] In *Ficek v Canada (Attorney General)*, 2013 FC 502 [*Ficek*], the issue was whether the Minister had met the obligation to examine the applicant's income tax return "with all due dispatch" under the *ITA*. Justice Michael Phelan examined the *Jolicoeur* decision in some detail, and concluded at paragraph 19 that "[t]he essential conclusions are that the term is the equivalent of 'with all due diligence' or 'within a reasonable time' and that there is no fixed time period for the performance of the duty to assess." Phelan J. went on to conclude, however, that the delay in conducting the examination in that case was not due to the requirements of ascertaining how much tax was owed, but rather was for an extraneous purpose of seeking to discourage taxpayers from claiming a certain type of charitable deduction.

[67] In a subsequent decision involving a similar question (*McNally v Canada (Minister of National Revenue)*, 2015 FC 767 at para 33 [*McNally*], Justice Sean Harrington cited the decision in *Ficek* for the following proposition:

"With all due dispatch" does not imply a drop dead date. In order to properly administer the *Income Tax Act*, the Minister has some discretion. Whether a return has been examined "with all due dispatch" is a question of fact. However, as Mr. Justice Phelan stated at paragraph 21, basing himself on *J Stoller* above: "However, the discretion is not unfettered, it must be reasonable and for a proper purpose of ascertaining and fixing the liability of the taxpayer."

[68] In *McNally*, Harrington J. concluded that the audit of the tax shelters that had been the basis for the claimed charitable deduction was being done for an extraneous purpose, and that the results of the audit were a foregone conclusion long before their completion. Therefore he

granted the application for judicial review, and ordered the Minister to complete the examination and to issue a Notice of Assessment within 30 days.

[69] These decisions confirm that the determination of whether the Minister has acted with all due dispatch is a finding of fact. They also confirm that if the Minister decided to launch an audit for a purpose extraneous to the duty to ascertain how much tax is due (or owed), then the delay may be found to be beyond what is reasonable in the circumstances. That is not the case here: as discussed previously, the Minister had a legitimate reason to initiate the audit of the Applicant's return.

[70] The interpretation of subsection 229(1) adopted by the CRA is also consistent with the approach taken by Justice John O'Keefe in *Nautica Motors*. The Applicant argued that this was not a useful precedent. I disagree. Despite the fact that subsection 229(1) was not specifically invoked in the applicant's notice of motion that launched that case, it was relied on by the respondent (see *Nautica Motors* at para 32), and is discussed in some detail in the decision. Therefore I find that this decision is a helpful precedent.

[71] The applicant in *Nautica Motors* sought an order of *mandamus* to compel the CRA to process its HST returns and to issue the credits it claimed. The returns had been filed for a period between March and May 1998; an audit was commenced in July 1998, and the case was heard in December 2001. The company claimed that subsection 297(1) of the *Act* created a public legal duty on the Minister to consider and assess an application for a rebate with all due dispatch, and that the delay in doing so had been unreasonable. The respondent submitted that subsection 229(1) did not impose a requirement to pay out a credit return immediately or as soon as possible, but rather required the Minister to consider each case on its facts. It argued that the

delay was reasonable because it had been waiting for information requested from the applicant that was needed to complete the audit.

[72] In that case, the CRA had issued an “interim assessment” of the HST return in November 2001 (shortly before the hearing), and the respondent argued that the application should be dismissed because there was no live controversy before the Court. O’Keefe J. rejected this, noting that subsection 229(1) requires the Minister to pay any refund that is claimed “with all due dispatch after the return is filed” (at para 42). Because the respondent had only issued an interim assessment and therefore the final amount due or owing had not been determined, there was a live issue between the parties and so the application was considered on its merits.

[73] Justice O’Keefe concluded that the first element of the *Apotex* test was met. At paragraph 45, the Court described the Minister’s duty under section 229: “There is no doubt that there is a public legal duty to act imposed on the respondent by subsection 229(1) of the [*Act*] as the Minister must make an assessment to determine whether or not any refund is due to the person.”

[74] The Court also found that there was a clear right to the performance of the duty, given that the audit had commenced in 1998 and was still ongoing in 2001. O’Keefe J. found that the respondent had a sufficient time to process the returns (at para 47), and that the performance of this duty was not discretionary (para 48):

The duty sought to be enforced is not discretionary in the sense that the respondent must process the return in order to determine whether the refund claimed is in fact payable to the applicants. In order to process the return, the respondent must complete an assessment. Here all the respondent gave was an “interim assessment” which was subject to change.

[75] On the basis of these findings, O’Keefe J. granted *mandamus* to compel the respondent to process the returns, but refused to issue an order that the respondent pay the credit returns owing to the applicants because “[i]t would be premature to grant this order as only interim assessments of the HST accounts and not an assessment of the account has been completed” (at para 54).

[76] In my view, the interpretation of subsection 229(1) in *Nautica Motors* is persuasive. The Minister is under a statutory duty to determine the tax that is owing or a refund is due in relation to the August 2018 return of the Applicant, pursuant to section 275 of the *Act* (*Tele-Mobile* at para 5; *JP Morgan* at paras 77-78). The Minister must do this without delay. The Minister is not obliged to pay the refund simply because it was claimed in the return, nor is the Minister forbidden from conducting an assessment or audit of the return, as long as this is done in good faith for the purpose of ascertaining the taxes due or refund owing (*Ficek* and *McNally*), and as long as it is done with all due dispatch.

[77] I will not comment at any length on the authorities from Australia and the European Union cited by the Applicant. In view of the differences between the schemes, and in the absence of a detailed analysis of how the particular provisions operate in the context of those schemes, I am not persuaded that these authorities should be applied to the interpretation of subsection 229(1) (*Manrell v Canada*, 2003 FCA 128 at para 58).

[78] The Respondent argues that the application is premature, because in this case the audit is being completed “with all due dispatch” and it has not yet taken an unreasonable amount of time to complete. It argues that *mandamus* is an extraordinary remedy, and that the Applicant has not met the test to obtain it (*Coombs v Canada (National Revenue)*, 2015 FC 869 at para 20).

[79] In *Apotex*, which remains the leading authority on the criteria to be applied in considering an application for *mandamus*, the Court of Appeal described the key element for this case in the following terms (at para 55):

3. There is a clear right to performance of that duty, in particular:

(a) the applicant has satisfied all conditions precedent giving rise to the duty; *O'Grady v. Whyte, supra*; *Hutchins v. Canada (National Parole Board)*, [1993] 3 F.C. 505 (C.A.); and see *Nguyen v. Canada (Minister of Employment and Immigration), supra*;

(b) there was (i) a prior demand for performance of the duty; (ii) a reasonable time to comply with the demand unless refused outright; and (iii) a subsequent refusal which can be either expressed or implied, e.g. unreasonable delay; see *O'Grady v. Whyte, supra*, citing *Karavos v. Toronto & Gillies, supra*; *Bhatnager v. Minister of Employment and Immigration*, [1985] 2 F.C. 315 (T.D.); and *Canadian Wildlife Federation Inc. v. Canada (Minister of the Environment), supra*.

[Underlining in original.]

[80] This was the basis for denying *mandamus* in *Madore*, which involved an application to force the CRA to deal with the taxpayer's objection to his Notice of Assessment. The CRA had decided to delay its decision on the objection pending an audit of the applicant's employer. I agree with the Respondent that it is important that this decision was made pursuant to paragraph 164(1)(b) of the *ITA*, in view of the similarities between the wording of that provision and subsection 229(1) of the *Act*. The relevant portion of paragraph 164(1)(b) provides that the Minister shall pay a refund claimed by a taxpayer with all due dispatch.

[81] In *Madore*, the Court found that the CRA had acted with all due dispatch in the circumstances of the case, and found at paragraph 27 that "[t]he delay associated with completing an audit is not an exceptional circumstance that would require this Court to interfere

with the Minister's ongoing administrative process." Therefore the Court dismissed the application as premature.

[82] On the facts of this case, I am not persuaded that a sufficient time had elapsed for the conduct of the audit before the Applicant launched this application. It should be recalled that the argument centres on the audit of the August 2018 return, which was filed on September 6, 2018. The Applicant was advised on October 4, 2018 that an audit had commenced. On November 7, 2018, the Applicant's representative wrote to demand that the net tax refund be paid, and it launched this proceeding on December 6, 2018. Unlike the situation in *Nautica Motors*, I do not find that this was a sufficient time to complete the audit. This is a situation more akin to that in *Madore*.

[83] The parties are in agreement that whether the process is being completed with all due dispatch must be assessed in the particular context of this case – primarily the fact that the Applicant files its returns monthly because it is in a continuous net tax refund position. I agree that this is a relevant consideration in assessing the timeliness of the CRA response. In addition, however, the complexity and scope of the audit are also relevant considerations. In this case, it is evident that the Applicant's business involves a high volume of transactions with multiple third parties, which in itself can be expected to add a degree of complexity to the undertaking.

[84] In the circumstances of this case, and in light of the considerations outlined above, I am not persuaded that the CRA has failed to undertake the audit with all due dispatch.

[85] In view of my conclusion on this issue, it is not necessary to address the other arguments of the parties.

[86] For this reason, the application for *mandamus* is dismissed.

B. *Should the Applicant's motion to re-open the hearing to adduce new evidence be granted?*

[87] This matter was heard on July 3, 2019, and taken under reserve. On August 30, 2019, the Applicant wrote to the Court indicating that it wished to bring a motion to reopen the hearing, and proposing a timeline for the filing of materials in relation to this motion. By letter dated September 3, 2019, the Respondent opposed this request. The Court convened a teleconference to discuss the matter, and a schedule was fixed for the Applicant to serve and file its notice of motion, and for the Respondent to respond.

[88] The Applicant served the Respondent with its motion and supporting affidavit on September 20, 2019, and these were filed on October 1, 2019. The Respondent then filed submissions seeking to strike the supporting affidavit and responding to the request to re-open the hearing. Various correspondence followed, which does not need to be summarized in detail.

[89] The Applicant's request to reopen the hearing stems from the fact that four days after the hearing, the CRA advised it that the scope of the audit was being expanded to cover reporting periods from November 1, 2018 to May 31, 2019. On August 1, 2019, it was advised that the audit was being further expanded to cover the June 2019 reporting period, and on August 26, 2019 it was informed that this would extend to the July 2019 period as well. The Applicant states that it has been advised that the audit will continue to be expanded to cover subsequent periods, although there is no confirmation of this in writing.

[90] The Applicant claims that the CRA is acting in bad faith, since the audit was first expanded just days following the hearing, and it notes that at the hearing questions were asked of counsel for the Respondent about the legal authority to withhold net tax refunds for periods not covered by the audit. To put this in context, at the time of the hearing the audit covered the period from June 1, 2016, to October 31, 2018. At that time, the CRA had advised the Applicant that it was withholding the net tax refund for the August 2018 period, as well as any subsequent net tax refunds filed by the Applicant. At the time, it was evident that net tax refunds were being withheld for reporting periods that fell outside of the scope of the audit, and questions were asked of counsel for the Respondent about the legal authority to withhold refunds for periods that were not then under audit.

[91] The Applicant contends that the most recent expansion of the audit was done as a means of providing legal authority for the withholding of the refunds, and as a means of off-setting any liability that the Respondent might have incurred if it was found to have acted without legal authority. It submits that it has met the test for reopening the hearing, so that the Court will have the full record before it.

[92] The test for re-opening a judicial review hearing is set out in *Tsleil-Waututh Nation v Canada (Attorney General)*, 2018 FCA 104 at paras 17-21 [*Tsleil-Waututh*]:

1. Would the evidence, if presented at the hearing, have changed the result?
2. Could the evidence have been obtained before trial by the exercise of reasonable diligence?
3. Would reopening the evidentiary record be in the public interest?

[93] There is no dispute that the second element is satisfied, because the evidence could not have been obtained earlier, given the timing of the events in question.

[94] I am not satisfied, however, that the Applicant has met either the first or third elements of the test.

[95] Based on my conclusion that the application was brought before the Applicant had given the Respondent a reasonable period to perform its audit, I do not find that this new evidence, even if admitted in its entirety, would have changed the result.

[96] It should be recalled that the original audit was only of the August 2018 reporting period, but it was then expanded pursuant to CRA policy. It is in the nature of an audit that it may be expanded during its course, given the findings that are made through the process. There is no evidence that this was done in bad faith or for an extraneous purpose.

[97] Furthermore, although the Respondent was asked questions about the legal authority to withhold refunds for periods not under audit, the Applicant did not seek specific relief in relation to this and so the matter is not dealt with in my decision on the merits.

[98] As noted in *Tseil-Waututh* at paragraph 13: “the discretion to reopen a trial is to be used ‘sparingly and with the greatest of care’ so that abuse of the Court’s processes’ does not result.” The Court of Appeal notes that this applies with equal or greater force in the context of judicial reviews in this Court, which are to be “heard and determined without delay” pursuant to section 18.4(1) of the *Federal Courts Act*, RSC, 1985 c F-7 (at para 20). The Court summarizes the approach at paragraph 21:

[21] The imperative to hear and determine judicial review applications without delay and in a summary way means that the discretion to reopen a concluded application for judicial review should be exercised with great caution, mindful of the need not to unduly delay the adjudication of important issues, often issues of significant public interest. The parties acknowledge that the consolidated applications raise issues of significant public interest. Thus, we would add a third criterion to the test to reopen: would reopening the evidentiary record be in the public interest?

[99] In view of my conclusion on the first issue, and my finding that the new evidence would not have changed the result, it is not in the public interest to further delay the determination of this matter by reopening the hearing.

[100] For these reasons, the Applicant's motion to reopen the hearing is dismissed.

[101] It is not necessary to deal with the Respondent's motion to strike all or portions of the supporting affidavit filed by the Applicant. Had it been necessary to do so, however, I would note that I found many of the Respondent's objections to the affidavit to be well-founded.

V. Conclusion

[102] For the reasons set out above, the application for *mandamus* is dismissed, and the application to reopen the hearing is also dismissed.

[103] I have found that it is reasonable for the CRA to conduct an audit of the net tax returns filed by the Applicant prior to paying any net tax refund, but it must do so with all due dispatch pursuant to subsection 229(1) of the *Act*. This is largely a factual determination. In this case, there is no evidence that the audit was initiated or expanded for any extraneous purpose, and the

Respondent's evidence is that it is proceeding and will be completed within a reasonable period given the complexity of the audit.

[104] In the circumstances of this case, I have concluded that the Applicant brought its application before a reasonable time for the performance of the duty had elapsed, and so I am dismissing the application. In doing so, it is worth underlining that if the Applicant has or obtains evidence that the CRA is acting for an ulterior purpose, or that the audit is being continuously expanded in bad faith, or otherwise not proceeding in a reasonable time-frame, it can bring another motion. My findings in this case relate to the evidence and circumstances that were before me.

[105] The parties requested an opportunity to make submissions on costs, if they are unable to come to an agreement. In exercise of my discretion pursuant to Rule 400 of the *Federal Court Rules*, SOR/98-106, there is no reason to depart from the usual rule, and so I award costs to the Respondent, in accordance with column III of Tariff B. If the parties are unable to agree on the amount of costs, they may make submissions of not more than five (5) pages (excluding a draft bill of costs) within 20 days of the date of this judgment.

JUDGMENT in T-2085-18

THIS COURT'S JUDGMENT is that:

1. The application to reopen the hearing is dismissed.
2. The application for an order in the nature of *mandamus* is dismissed.
3. The Applicant shall pay the Respondent's costs, in accordance with Column III of Tariff B. If the parties are unable to agree on the amount of costs, they may make submissions of not more than 5 pages (excluding a draft bill of costs) within 20 days of the date of this judgment.

"William F. Pentney"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2085-18

STYLE OF CAUSE: EXPRESS GOLD REFINING LTD. v THE
MINISTER OF NATIONAL REVENUE

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: JULY 3, 2019

**JUDGMENT AND
REASONS:** PENTNEY J.

DATED: MAY 12, 2020

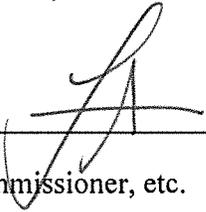
APPEARANCES:

Jacques Bernier Bryan Horrigan	FOR THE APPLICANT
Henry Gluch Jasmeen Mann	FOR THE RESPONDENT

SOLICITORS OF RECORD:

Baker & McKenzie LLP Barristers and Solicitors Toronto, Ontario	FOR THE APPLICANT
Attorney General of Canada Toronto, Ontario	FOR THE RESPONDENT

This is **Exhibit "DD"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R



REGISTERED

May 27, 2020

Express Gold Refining Ltd.
Attn: Atef Salama
400 – 215 Victoria Street
Toronto ON M5B 1T9

Dear Atef Salama:

**Subject: Audit of the goods and services tax/harmonized sales tax
(GST/HST) returns for the period 2016-06-01 to 2018-10-31
Business Number: 13855 7095 RT0001**

We have completed the review of the GST/HST returns for Express Gold Refining Ltd. (EGR) for the above period and are proposing the changes shown on the enclosed summary of proposed adjustments and corresponding schedules.

Section 285 of the *Excise Tax Act* provides for the levying of a penalty in cases where a registrant knowingly, or in circumstances amounting to gross negligence, participates in or makes a false statement or omission in a return, form, certificate, statement or answer. This penalty is the greater of \$250 and 25% of the net tax change for each period in which the false statement(s) or omission(s) occurred.

After reviewing all the information relating to the returns for EGR, we are proposing these penalties on the proposed adjustments. Some of the factors we considered in proposing penalties include:

- EGR has sufficient knowledge of taxable supplies and the resources available to determine obligations and liabilities under the Act.
- ITCs totalling \$133,451,149.90 were claimed based on invoices from 66 different suppliers that audit has determined are part of a carousel scheme.
- Audit has concluded that the registrant is a willing participant in the carousel scheme.

EGR has 30 days from the date of this letter to send representations or explanations, which we will consider before (re)assessing the returns. If we have not heard from EGR before **June 26, 2020**, we will send out the (re)assessments based on the proposed changes.

If there is information that should be considered for the proposed changes, the documents can be sent electronically through My Business Account or Represent a Client. If EGR or the authorized representative is registered for one of these portals and chooses to send

documents using this option, please use this case number: **34690331**. The "Submit documents" choice in the left hand column.

Documents can also be sent to us by fax to 306-975-6723 or 1-855-975-6723, or by mail to:

Canada Revenue Agency
Saskatchewan Tax Services Office
Attention: Jaclyn Bartlett
6th Floor
340 3rd Avenue North
Saskatoon SK S7K 0A8

I can be reached at **306-975-4692** or at **1-855-427-5240**, extension **306-975-4692**. My team leader, Cathy Gadzella, CPA, CGA, can also be reached at extension 306-975-4521.

Yours truly,



pu.
Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-4692
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Website: canada.ca/revenue-agency

Enclosures

c.c.: Jacques Bernier
Baker & McKenzie LLP

Summary of Adjustments

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	GST/HST Adjustments	ITC* Adjustments (Schedule A)	Total Adjustments
2016-06-30	\$ (53.17)	\$ 1,990,205.67	\$ 1,990,152.50
2016-07-31	279.09	2,067,401.02	2,067,680.11
2016-08-31	70.48	2,065,681.17	2,065,751.65
2016-09-30	32.50	1,659,086.46	1,659,118.96
2016-10-31	335.54	1,655,893.10	1,656,228.64
2016-11-30	21.25	2,321,413.20	2,321,434.45
2016-12-31	-	2,136,320.52	2,136,320.52
2017-01-31	19.50	3,196,920.97	3,196,940.47
2017-02-28	4,276.32	3,034,046.39	3,038,322.71
2017-03-31	3,819.66	3,507,382.12	3,511,201.78
2017-04-30	84.50	4,025,781.37	4,025,865.87
2017-05-31	(84.50)	4,915,308.41	4,915,223.91
2017-06-30	-	4,307,535.06	4,307,535.06
2017-07-31	19.50	3,065,534.04	3,065,553.54
2017-08-31	-	4,948,418.34	4,948,418.34
2017-09-30	67.60	5,307,169.71	5,307,237.31
2017-10-31	(232.70)	6,251,152.92	6,250,920.22
2017-11-30	-	5,399,164.62	5,399,164.62
2017-12-31	(52.00)	2,981,760.44	2,981,708.44
2018-01-31	-	5,185,133.32	5,185,133.32
2018-02-28	(117.00)	6,192,957.26	6,192,840.26
2018-03-31	(162.50)	7,741,165.77	7,741,003.27
2018-04-30	-	5,887,756.16	5,887,756.16
2018-05-31	-	7,506,656.43	7,506,656.43
2018-06-30	-	6,612,145.41	6,612,145.41
2018-07-31	-	5,884,757.19	5,884,757.19
2018-08-31	(37.50)	8,782,974.59	8,782,937.09
2018-09-30	37.50	8,090,996.72	8,091,034.22
2018-10-31	-	6,741,314.15	6,741,314.15
	\$ 8,324.07	\$ 133,462,032.53	\$ 133,470,356.60

* Input Tax Credits

Section 285 Penalty- Schedule D

\$ 33,367,589.21

Schedule A - Summary of ITC Adjustments

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	ITC* Reconciliation (Schedule B)	ITCs* Denied (Schedule C)	Total Adjustments
2016-06-30	\$ -	\$ 1,990,205.67	\$ 1,990,205.67
2016-07-31	-	2,067,401.02	2,067,401.02
2016-08-31	-	2,065,681.17	2,065,681.17
2016-09-30	-	1,659,086.46	1,659,086.46
2016-10-31	-	1,655,893.10	1,655,893.10
2016-11-30	(21.25)	2,321,434.45	2,321,413.20
2016-12-31	-	2,136,320.52	2,136,320.52
2017-01-31	-	3,196,920.97	3,196,920.97
2017-02-28	(4,266.57)	3,038,312.96	3,034,046.39
2017-03-31	-	3,507,382.12	3,507,382.12
2017-04-30	-	4,025,781.37	4,025,781.37
2017-05-31	(130.00)	4,915,438.41	4,915,308.41
2017-06-30	-	4,307,535.06	4,307,535.06
2017-07-31	-	3,065,534.04	3,065,534.04
2017-08-31	-	4,948,418.34	4,948,418.34
2017-09-30	-	5,307,169.71	5,307,169.71
2017-10-31	(4,199.55)	6,255,352.47	6,251,152.92
2017-11-30	-	5,399,164.62	5,399,164.62
2017-12-31	-	2,981,760.44	2,981,760.44
2018-01-31	-	5,185,133.32	5,185,133.32
2018-02-28	-	6,192,957.26	6,192,957.26
2018-03-31	-	7,741,165.77	7,741,165.77
2018-04-30	(19,500.00)	5,907,256.16	5,887,756.16
2018-05-31	-	7,506,656.43	7,506,656.43
2018-06-30	-	6,612,145.41	6,612,145.41
2018-07-31	-	5,884,757.19	5,884,757.19
2018-08-31	-	8,782,974.59	8,782,974.59
2018-09-30	38,973.91	8,052,022.81	8,090,996.72
2018-10-31	26.09	6,741,288.06	6,741,314.15
	\$ 10,882.63	\$ 133,451,149.90	\$ 133,462,032.53

* Input Tax Credits

To Summary

Schedule B - Reconciliation Adjustments

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	GST/HST Collected per B&R	GST/HST as filed (line 105)	(Decrease) Increase to GST/HST	ITCs Claimed per B&R	ITCs as filed/prev adjusted* (line 108)	Decrease (Increase) to ITCs
2016-06-30	\$ 7,172.50	\$ 7,225.67	\$ (53.17)	\$ 2,327,098.08	\$ 2,327,098.08	\$ -
2016-07-31	25,519.40	25,240.31	279.09	2,400,561.92	2,400,561.92	-
2016-08-31	2,929.92	2,859.44	70.48	2,506,040.89	2,506,040.89	-
2016-09-30	4,770.51	4,738.01	32.50	2,450,507.76	2,450,507.76	-
2016-10-31	3,535.49	3,199.95	335.54	2,446,055.84	2,446,055.84	-
2016-11-30	4,957.67	4,936.42	21.25	2,982,813.84	2,982,792.59	(21.25)
2016-12-31	18,498.36	18,498.36	-	2,630,067.56	2,630,067.56	-
2017-01-31	3,562.65	3,543.15	19.50	4,040,645.05	4,040,645.05	-
2017-02-28	8,074.92	3,798.60	4,276.32	3,580,835.24	3,576,568.67	(4,266.57)
2017-03-31	11,701.78	7,882.12	3,819.66	4,268,011.71	4,268,011.71	-
2017-04-30	3,422.58	3,338.08	84.50	4,340,798.79	4,340,798.79	-
2017-05-31	27,024.78	27,109.28	(84.50)	5,345,542.79	5,345,412.79	(130.00)
2017-06-30	7,780.32	7,780.32	-	4,660,863.89	4,660,863.89	-
2017-07-31	4,997.68	4,978.18	19.50	3,396,963.79	3,396,963.79	-
2017-08-31	8,836.91	8,836.91	-	5,346,299.49	5,346,299.49	-
2017-09-30	5,063.71	4,996.11	67.60	5,882,070.20	5,882,070.20	-
2017-10-31	6,852.12	7,084.82	(232.70)	6,880,733.92	6,876,534.37	(4,199.55)
2017-11-30	11,014.31	11,014.31	-	6,238,839.63	6,238,839.63	-
2017-12-31	25,329.69	25,381.69	(52.00)	3,598,329.08	3,598,329.08	-
2018-01-31	3,357.27	3,357.27	-	6,372,698.37	6,372,698.37	-
2018-02-28	5,764.13	5,881.13	(117.00)	7,672,843.60	7,672,843.60	-
2018-03-31	5,060.79	5,223.29	(162.50)	8,751,569.07	8,751,569.07	-
2018-04-30	2,887.63	2,887.63	-	6,926,779.63	6,907,279.63	(19,500.00)
2018-05-31	9,040.07	9,040.07	-	9,044,211.67	9,044,211.67	-
2018-06-30	2,316.41	2,316.41	-	8,292,087.78	8,292,087.78	-
2018-07-31	2,159.07	2,159.07	-	6,914,332.44	6,914,332.44	-
2018-08-31	2,056.29	2,093.79	(37.50)	9,130,290.46	9,130,290.46	-
2018-09-30	5,132.77	5,095.27	37.50	8,561,139.57	8,600,113.48	38,973.91
2018-10-31	24,513.06	24,513.06	-	7,185,853.87	7,185,879.96	26.09
	\$ 253,332.79	\$ 245,008.72	\$ 8,324.07	\$ 154,174,885.93	\$ 154,185,768.56	\$ 10,882.63
			To Summary			To Schedule A

The amounts claimed on your return are different from your books and records. We have adjusted line 105 (GST/HST collected) and line 108 (ITCs claimed) to match the amount recorded in your books and records, per subsections 225(1) of the Excise Tax Act.

* These are the current amounts on the returns after excluding previous ITCs denied per audit

Schedule D - Gross Negligence Penalty

Express Gold Refining Ltd.

13855 7095 RT0001

Period Ended	Net Tax per Audit	Net Tax as Filed (or as previously assessed)	Change in Net Tax	25% of Change in Net Tax	GNP * Amount (Note 1)
2016-06-30	\$ (293,481.37)	\$ (2,283,633.87)	\$ 1,990,152.50	\$ 497,538.13	\$ 497,538.13
2016-07-31	(307,641.50)	(2,375,321.61)	2,067,680.11	516,920.03	516,920.03
2016-08-31	(412,118.93)	(2,477,870.58)	2,065,751.65	516,437.91	516,437.91
2016-09-30	(688,702.94)	(2,347,821.90)	1,659,118.96	414,779.74	414,779.74
2016-10-31	(665,816.56)	(2,322,045.20)	1,656,228.64	414,057.16	414,057.16
2016-11-30	(629,080.79)	(2,950,515.24)	2,321,434.45	580,358.61	580,358.61
2016-12-31	(362,971.45)	(2,499,291.97)	2,136,320.52	534,080.13	534,080.13
2017-01-31	(561,185.94)	(3,758,126.41)	3,196,940.47	799,235.12	799,235.12
2017-02-28	(458,953.11)	(3,497,275.82)	3,038,322.71	759,580.68	759,580.68
2017-03-31	(648,867.05)	(4,160,068.83)	3,511,201.78	877,800.45	877,800.45
2017-04-30	(283,693.59)	(4,309,559.46)	4,025,865.87	1,006,466.47	1,006,466.47
2017-05-31	(340,239.42)	(5,255,463.33)	4,915,223.91	1,228,805.98	1,228,805.98
2017-06-30	(299,592.08)	(4,607,127.14)	4,307,535.06	1,076,883.77	1,076,883.77
2017-07-31	(228,909.45)	(3,294,462.99)	3,065,553.54	766,388.39	766,388.39
2017-08-31	(203,415.77)	(5,151,834.11)	4,948,418.34	1,237,104.59	1,237,104.59
2017-09-30	(246,031.32)	(5,553,268.63)	5,307,237.31	1,326,809.33	1,326,809.33
2017-10-31	(300,253.99)	(6,551,174.21)	6,250,920.22	1,562,730.06	1,562,730.06
2017-11-30	(217,953.90)	(5,617,118.52)	5,399,164.62	1,349,791.16	1,349,791.16
2017-12-31	(167,674.80)	(3,149,383.24)	2,981,708.44	745,427.11	745,427.11
2018-01-31	(290,213.66)	(5,475,346.98)	5,185,133.32	1,296,283.33	1,296,283.33
2018-02-28	(261,322.89)	(6,454,163.15)	6,192,840.26	1,548,210.07	1,548,210.07
2018-03-31	(256,171.88)	(7,997,175.15)	7,741,003.27	1,935,250.82	1,935,250.82
2018-04-30	(293,355.23)	(6,181,111.39)	5,887,756.16	1,471,939.04	1,471,939.04
2018-05-31	(260,977.73)	(7,767,634.16)	7,506,656.43	1,876,664.11	1,876,664.11
2018-06-30	(264,809.23)	(6,876,954.64)	6,612,145.41	1,653,036.35	1,653,036.35
2018-07-31	(229,340.07)	(6,114,097.26)	5,884,757.19	1,471,189.30	1,471,189.30
2018-08-31	(345,259.58)	(9,128,196.67)	8,782,937.09	2,195,734.27	2,195,734.27
2018-09-30	(503,983.99)	(8,595,018.21)	8,091,034.22	2,022,758.56	2,022,758.56
2018-10-31	(420,052.75)	(7,161,366.90)	6,741,314.15	1,685,328.54	1,685,328.54
Totals	<u>\$ (10,442,070.97)</u>				
Total Gross Negligence Penalty in audit period					\$ 33,367,589.21
					To Summary

* Gross Negligence Penalty

Note 1:

Section 285 of the Excise Tax Act provides for the levying of a penalty in cases where a person knowingly, or in circumstances amounting to gross negligence, participates in or makes a false statement or omission in a return, form, certificate, statement or answer. This penalty is the greater of \$250 and 25% of the net tax change for each period in which the false statements or omissions occurred.

Schedule E – Carousel Scheme

Express Gold Refining Ltd.
13855 7095 RT0001

Carousel Scheme Overview

In its simplest form a carousel scheme is an arrangement where GST/HST shown to be collected on goods that are part of a resupply chain is never reported and at least one member of the supply chain goes missing (missing trader). The missing trader usually registers as an annual filer and goes missing before they remit any GST/HST; they are set up for the sole purpose of perpetuating the scheme. Sales invoices are issued in the name of the missing trader and the purchasing companies (intermediaries), who are usually monthly or quarterly filers, claim their input tax credits (ITCs) based on invoices bearing the GST/HST registration number of the missing trader or other intermediaries.

The goods can change hands up the supply chain several times, only once, or not at all by originating and remaining at the top level. Ultimately, the goods are said to be sold to an entity where the tax status of the good changes. For example the goods are processed in such a way that they become zero-rated, such as in the process of refining scrap gold to pure gold. The entity who “changes” the tax status of the supply from taxable to zero-rated, is known as the zero-rater. As the name suggests this entity collects no tax on their sales related to scrap gold but they are entitled to ITCs on their purchases of taxable scrap gold. The zero-rater files credit returns and received refunds from CRA.

The zero-rated goods are then returned to entities in the supply chain, either as consideration for purported supplies previously made, or the cash earned by the scheme is used to make new purchases. The gold received by the vendor is then debased such that it is again taxable at the applicable rate. The debased gold can then be sold again to the zero-rater, attracting another 13% in HST (in Ontario). This process can repeat many times, with the goods going around on a “carousel”. There may also be multiple carousels within the group, with one or two points in common. That is, they may have the same missing trader, or the same zero-rater, or both.

The tax collected by the missing trader is not remitted to the government, either through non-filing, under remitting, or non-payment of the amounts due. The zero-rater claims an input tax credit for the amounts charged by the missing trader (or another intermediary acting in collusion), resulting in a revenue loss for the government. All carousel schemes require a zero-rater and at least one missing trader. Without a zero-rater to receive GST/HST refunds from CRA there is no source of cash in the scheme, and without at least one missing trader there is no tax leakage at the bottom of the supply chain.

On their face the transactions appear legitimate, and in most cases follow all documentary requirements prescribed by the *Excise Tax Act*. It is the job of audit to question the motivation and benefit behind the transactions. In a carousel scheme, the structure of the transactions within the colluding group is manufactured to create GST/HST refunds, which may be the only source of funds. This scheme cannot be detected by looking at a single entity. The entire supply chain must be analyzed to develop a complete picture of what is occurring.

The scheme is difficult to detect, as the books and records are prepared based on transactions intending to deceive. The more complexity that can be introduced into the supply chain, the more difficult it is for audit to detect the scheme and gather sufficient audit evidence. In the case of scrap gold, there is added difficulty as the goods are homogenous. There are no unique identifying characteristics that would allow tracing of a particular item through the series of transactions.

Audit's Assessing Position

Audit has determined, on a balance of probabilities, that Express Gold Refining Ltd. (EGR) was complicit in a carousel scheme in the scrap gold industry. The sole purpose of the scheme is to deceive the Minister and benefit from diverted GST/HST.

We relied upon the following audit evidence to determine the existence of a carousel scheme, involving EGR, operating in the scrap gold industry:

Scrap Gold Purity:

- The purity level of scrap gold purchased by EGR throughout the audit period is unreasonable given the realities of the scrap gold market in the greater Toronto area. We found that while only 38% of the vendors have an average weighted purity that is outside the expected range of 50% to 65%, 88% of the gross weight of gold purchased by EGR is above the same expected purity level. The average weighted purity for all scrap gold transactions analyzed is 83%. This analysis on purity levels is a strong indicator that many of EGR's vendors are selling contrived scrap gold as part of a carousel scheme. The majority of the scrap gold purchased by EGR (by weight) is well above the purity we would expect in the market. It is highly improbable, verging on impossible, that the majority of the gold sold to EGR is from bona fide scrap sources, especially when combined with the high volumes transacted (volume analysis follows).
- We also performed analysis with information gathered from third parties and that analysis led us to the same conclusion.

Scrap Gold Volumes:

- We found that 90% of the gross weight of gold purchased by EGR, when analyzed by vendor, is above the expected weekly volume. 20% of vendors analyzed are selling EGR 90% (by weight) of the pure gold contained in their purchases of scrap gold. These 20% of vendors are, on average, doing almost double the weekly volume used as a benchmark. This high volume is a strong indicator that the vendors above the benchmark are selling contrived scrap gold as part of a carousel scheme. It is highly improbable, verging on impossible, that the gold sold to EGR is from bona fide scrap sources at the volumes reported, especially when combined with the purity analysis discussed above.
- Once again we performed additional analysis on scrap gold volumes using information gathered from third parties and that analysis led us to the same conclusion.

Vendor Analysis:

- We took extensive audit action to analyze EGR's vendors. We focused our audit work on vendors in respect of which EGR claimed more than \$100,000 in ITCs in the audit period; there were 82 such scrap gold vendors (largest vendors).
- As it relates to the largest vendors, we found significant issues with the due diligence performed by EGR:
 - 49% of the shareholders did not have a good credit score;
 - we identified issues with the identification provided for 41%;
 - 41% indicated a high initial volume;
 - 18% of these had only fair or poor credit score.
 - Several vendors had repeating indicators with other vendors that do not appear to be related.
 - Virtually none of the companies had enough information to return a business credit report of any value.

Ultimately only four (4) of the 82 vendors analyzed didn't have a single risk factor.

- Of the largest vendors identified as participating in the scheme with who EGR was dealing in June 2018, 92% completely stopped doing business with EGR by June 2019. These vendors stopped doing business with EGR once the audit of EGR started. This is significant because the carousel scheme relies on the distribution of GST/HST refunds claimed by the zero-rater (EGR); the scheme cannot operate without these funds. The last refund paid out to EGR was in respect of the June 2018 GST/HST return. The funds were disbursed in July 2018. Since that time no refunds have been paid to EGR, and per their contract they do not pay the vendor the GST/HST portion of the purchase until such time as they receive a refund.

The sole purpose of the carousel scheme is to misappropriate GST/HST refunds by using a contrived supply of scrap gold. When the flow of GST/HST is stopped there remains no reason to continue to engage in the scheme. There is no legitimate supply of scrap gold that needs to be sold. This finding is consistent with our understanding of how the carousel scheme in the scrap gold industry operates and confirms our determination that these vendors are not engaging in legitimate commercial activities. This also confirms EGR's assertion that they have lost the majority of their business since the start of our audit. EGR's Federal Court of Canada application stated that their customers have left them and now sell to the competition. We performed analysis on this and found that it wasn't the case.

- As previously detailed, the average weighted purity and average weekly volume were calculated for each of the largest vendors and compared to industry norms. The majority of EGR's largest vendors fall outside industry norms on both measures. Both of these metrics are highly useful in determining if the scrap gold purchased by EGR is from bona fide sources.
- We reviewed audit evidence gathered in audits of EGR's vendors, and that review confirmed our findings in the audit of EGR.

- We performed additional analysis based on third party information received. That analysis led us to the same conclusions.
- Based on all of the vendor analysis performed, audit concluded that 63 of the 82 largest vendors were participants in a carousel scheme. While our audit work did not focus on EGR's smaller vendors we did consider audit findings where a smaller vendor was identified as a participant in a carousel scheme in their respective audit. Of these vendors audit has concluded that seven (7) are participants in a carousel scheme.

We analyzed purity of scrap gold purchased by EGR, volume of gold transacted by EGR, irregularities and inconsistencies displayed by EGR's vendors, the size and complexity of the supply chain, and, ultimately, we calculated how much GST/HST has been misappropriated as part of the scheme. The evidence is sufficient for audit to conclude, on a balance of probabilities, that the majority of the scrap gold purchased by EGR is contrived scrap gold as part of a carousel scheme.

It is audit's position that not only was a scheme occurring, but that EGR was complicit in that scheme. We find it unreasonable, in light of all the audit evidence, that EGR's controlling director, Atef Salama, was not aware of the scheme. All scheme participants rely on the zero-rater to consistently file credit returns and disburse those funds to vendors.

We relied upon the following factors in our determination that EGR was colluding with other participants in the scheme:

- Atef is knowledgeable about the gold industry and his own business operations. We find it unlikely that he did not notice all the red flags that became evident to us throughout the course of this audit.
- Almost all of EGR's largest vendors sold EGR gold with unreasonably high purity levels given the market supply.
- Likewise almost all of EGR's largest vendors sold an unreasonable volume of gold.
- EGR's sales increased drastically in 2013 with no changes in business practice or economic factors that could explain such an increase.
- The magnitude of the scheme is so great that it is evident, even on cursory review, that there are issues with the vendors and the transactions. It is reasonable to expect Atef to have made further inquiry.
- EGR's due-diligence policies and procedures were put in place to satisfy FINTRAC requirements but evidence shows that the information gathered was not used to conduct a proper risk assessment.
- We noted significant issues with the data provided to audit as it pertains to records kept, data maintained, and internal controls. We were unable to trace scrap gold or pure gold through the books and records with any degree of accuracy. When we performed manual tracing we found discrepancies that showed significant variance between source documents and the books and records. We do not believe that EGR would tolerate this level of variance in bona fide transactions.

In the tax Court of Canada decision in *Cherniak v. The Queen*¹. Justice Hogan states that in a carousel scheme “The GST is drawn out of the system on the basis of fictitious ... sales of zero-rated supplies that allow the ...seller to receive large refunds in connection with tax that was never remitted in the first instance. Numerous buyers and sellers are inserted into the transaction flow to mask what is really going on.” Hogan further stated that the parties “participated with others in what amounted to be paper transactions as part of an elaborate ruse to defraud the government of tax revenue”. Engaging in transactions intended to deceive and divert tax revenue from the Minister is in direct contravention of the spirit of the ETA. As a result, ITCs claimed in respect of vendors that audit has determined are part of a carousel scheme will be denied per subsection 169(1) of the *Excise Tax Act* as they are not claimed in respect of bona fide commercial activity. The ITCs denied as are follows:

Bijouterie Lotus (9346-8460 Quebec Inc)	\$ 9,986,886.49
Asia Pacific International Inc.	8,160,019.15
2417916 Ontario Inc. (Cash 4 Gold)	8,064,734.25
2337980 ONTARIO INC.	6,701,629.73
9710990 CANADA INC	6,419,152.42
9747583 Canada Ltd	6,226,700.00
8561648 Canada Inc	6,219,630.20
Elite Precious Metal Exchange Inc.	5,342,160.24
92957216 Quebec Inc (Bijoux Royal)	5,191,658.57
GTA Gold Refining Inc	4,738,836.25
Sam Bijouterie Inc.	3,962,022.73
Bijouterie Yakona Inc	3,872,070.35
2402270 Ontario Inc.	3,699,804.26
2500028 Ontario Inc. (Aar Ess Bullion Trading)	3,532,186.09
9982132 Canada Inc.	3,496,815.83
2474722 Ontario Inc.	3,262,834.19
9324-5371 Quebec Inc	3,199,115.01
S.S. Cash for Gold Inc	2,926,255.89
Fast Money Auction	2,709,832.44
9776087 Canada Inc.	2,525,491.80
2466778 Ontario Inc	2,362,421.38
2576393 Ontario Inc.	2,016,255.49
Ontario MX (9989676 Canada Inc)	1,966,580.50
9348417 CANADA INC	1,787,614.82
S.A. Rajgan Enterprises Corp.	1,700,587.85
Empire Trading Limited - Gold Mart	1,630,661.76

¹ *Cherniak v The Queen*, 2015 TCC 53

Vendor Name	ITCs Denied in the Audit Period
K.M.Q. Precious Metal Inc.	1,596,409.92
2457041 Ontario Ltd (Swiss Cash For Gold)	1,583,855.26
2575720 Ontario Inc. (AM Cash for Gold)	1,495,765.28
M.A.C Precious Metal Refining Inc	1,343,714.42
Pasricha Inc.	961,631.72
SH Refining Ltd.	958,787.05
8537399 Canada Inc	887,260.93
8958238 Canada Inc	846,801.93
9437690 Canada Inc	824,507.32
Galaxy Precious Metals Corp.	785,850.33
9896643 Canada Inc.(IB Gold Touch)	746,031.64
2589913 Ontario Inc	737,724.34
Bijouterie Safa Inc	662,186.33
JK (Ohannes Khatchirian)	659,022.52
AK Traders (9839143 Canada Inc)	652,007.59
2276230 Ontario Inc (Alishan Cash 4 Gold)	580,448.57
Talus Gold Inc.	571,346.36
MC Gold Refining Inc	534,104.09
93124071 Quebec Inc (Global Gold)	496,968.42
2615041 Ontario Inc.	454,182.57
Sri Vijeyalitha Gold (2407938 Ontario Inc)	454,108.72
GoldBrex International Inc	437,485.85
2499583 ONTARIO INC	419,271.60
Tree Jewellers Inc	414,222.38
Naysa Bijouterie (9372-8483 Quebec Inc)	387,751.26
Cash For Gold Jewellery (2103710 Ontario Inc.)	364,576.10
Gold City	332,171.32
A&Z Creations(2388905 Ontario)	312,893.36
Ace of Gold Inc	218,089.30
1994930 Ontario Inc.	204,197.50
Bal Jewellers & Trading Inc.	200,426.46
2602265 Ontario Inc.	131,611.48
Best Price 4 Gold Inc.	119,880.14
2578202 Ontario Inc	105,619.28
2473927 Ontario Inc	93,483.00
TORONTO RESERVE GOLD	49,348.13
Ora Italia Inc.	48,216.74



3526763 Canada Ltd	26,903.63
Banz Refining (2349460 On. Inc)	25,288.38
Suhaag Jewellers	25,040.99
Total ITCs denied	\$133,451,149.90

Schedule C - ITCs Denied

Express Gold Refining Ltd.
13855 7095 RT0001

Period Ended	ITCs Denied
2016-06-30	\$ 1,990,205.67
2016-07-31	2,067,401.02
2016-08-31	2,065,681.17
2016-09-30	1,659,086.46
2016-10-31	1,655,893.10
2016-11-30	2,321,434.45
2016-12-31	2,136,320.52
2017-01-31	3,196,920.97
2017-02-28	3,038,312.96
2017-03-31	3,507,382.12
2017-04-30	4,025,781.37
2017-05-31	4,915,438.41
2017-06-30	4,307,535.06
2017-07-31	3,065,534.04
2017-08-31	4,948,418.34
2017-09-30	5,307,169.71
2017-10-31	6,255,352.47
2017-11-30	5,399,164.62
2017-12-31	2,981,760.44
2018-01-31	5,185,133.32
2018-02-28	6,192,957.26
2018-03-31	7,741,165.77
2018-04-30	5,907,256.16
2018-05-31	7,506,656.43
2018-06-30	6,612,145.41
2018-07-31	5,884,757.19
2018-08-31	8,782,974.59
2018-09-30	8,052,022.81
2018-10-31	6,741,288.06
	\$ 133,451,149.90
	To Schedule A

Audit has concluded that ITCs claimed in respect of the following vendors are not eligible per subsection 169(1) of the Excise Tax Act as these vendors and the registrant were engaged in a carousel scheme in the scrap gold industry. The registrant was a knowing and willing participant in this scheme, the sole purpose of which is to misappropriate GST/HST from the Minister. See Schedule E for additional details.

ITCs have been denied in full on the following vendors. Amounts in this table are totaled by vendor, below the amounts are shown by reporting period.

Adjustments by Vendor for all Periods:

Vendor	Total ITC claimed in Audit Period	Previously Denied	ITCs Denied in this Audit
9346-8460 Quebec Inc.	\$ 9,986,886.49	\$ -	\$ 9,986,886.49
Asia Pacific International Inc.	8,160,019.15	-	8,160,019.15
2417916 Ontario Inc.	8,064,734.25	-	8,064,734.25
2337980 Ontario Inc.	6,701,629.73	-	6,701,629.73
9710990 Canada Inc.	6,419,152.42	-	6,419,152.42
9747583 Canada Ltd	6,226,700.00	-	6,226,700.00
8561648 Canada Inc.	6,219,630.20	-	6,219,630.20
Elite Precious Metal Exchange Inc.	5,342,160.24	-	5,342,160.24
92957216 Quebec Inc.	5,191,658.57	-	5,191,658.57
GTA Gold Refining Inc.	4,738,836.25	-	4,738,836.25
Sam Bijouterie Inc.	3,962,022.73	-	3,962,022.73
Bijouterie Yakona Inc.	3,872,070.35	-	3,872,070.35
2402270 Ontario Inc.	3,699,804.26	-	3,699,804.26
2500028 Ontario Inc.	3,532,186.09	-	3,532,186.09
9982132 Canada Inc.	3,496,815.83	-	3,496,815.83
8958238 Canada Inc.	3,300,093.09	2,453,291.16	846,801.93
2474722 Ontario Inc.	3,262,834.19	-	3,262,834.19
9324-5371 Quebec Inc.	3,199,115.01	-	3,199,115.01
2276230 Ontario Inc.	2,943,689.13	2,363,240.56	580,448.57
S.S. Cash for Gold Inc.	2,926,255.89	-	2,926,255.89
Fast Money Auction Inc.	2,709,832.44	-	2,709,832.44
9437690 Canada Inc.	2,621,861.97	1,797,354.65	824,507.32

9776087 Canada Inc.	2,525,491.80	-	2,525,491.80
2466778 Ontario Inc.	2,362,421.38	-	2,362,421.38
2576393 Ontario Inc.	2,016,255.49	-	2,016,255.49
9989676 Canada Inc.	1,966,580.50	-	1,966,580.50
9348417 Canada Inc.	1,787,614.82	-	1,787,614.82
S.A. Rajgan Enterprises Corp.	1,700,587.85	-	1,700,587.85
Empire Trading Limited	1,630,661.76	-	1,630,661.76
K.M.Q. Precious Metal Inc.	1,596,409.92	-	1,596,409.92
2457041 Ontario Ltd.	1,583,855.26	-	1,583,855.26
2575720 Ontario Inc.	1,495,765.28	-	1,495,765.28
Gold & Silver Inc.	1,481,276.83	1,481,276.83	-
M.A.C Precious Metal Refining Inc	1,343,714.42	-	1,343,714.42
MC Gold Refining Inc.	1,060,432.23	526,328.14	534,104.09
Pasricha Inc.	961,631.72	-	961,631.72
SH Refining Ltd.	958,787.05	-	958,787.05
8537399 Canada Inc.	887,260.93	-	887,260.93
2602265 Ontario Inc.	850,114.14	718,502.66	131,611.48
Galaxy Precious Metals Corp.	785,850.33	-	785,850.33
9896643 Canada Inc.	746,031.64	-	746,031.64
2589913 Ontario Inc.	737,724.34	-	737,724.34
Bijouterie Safa Inc.	662,186.33	-	662,186.33
Ohannes Khatchirian	659,022.52	-	659,022.52
9839143 Canada Inc.	652,007.59	-	652,007.59
Talus Gold Inc.	571,346.36	-	571,346.36
9312-4071 Quebec Inc.	496,968.42	-	496,968.42
Victoria Gold Inc.	479,000.16	479,000.16	-
2615041 Ontario Inc.	454,182.57	-	454,182.57
2407938 Ontario Inc.	454,108.72	-	454,108.72
GoldBrex International Inc.	437,485.85	-	437,485.85
2499583 Ontario Inc.	419,271.60	-	419,271.60
Tree Jewellers Inc.	414,222.38	-	414,222.38
9372-8483 Quebec Inc.	387,751.26	-	387,751.26
2103710 Ontario Inc.	364,576.10	-	364,576.10
1503329 Ontario Ltd.	332,171.32	-	332,171.32
A&Z Creations Inc.	312,893.36	-	312,893.36
Ace of Gold Inc.	218,089.30	-	218,089.30
1994930 Ontario Inc.	204,197.50	-	204,197.50
Bal Jewellers & Trading Inc.	200,426.46	-	200,426.46
2578202 Ontario Inc.	139,970.35	34,351.07	105,619.28
Best Price 4 Gold Inc.	119,880.14	-	119,880.14
2344967 Ontario Inc.	104,326.58	104,326.58	-
2473927 Ontario Inc.	93,483.00	-	93,483.00
2462300 Ontario Ltd.	70,660.46	70,660.46	-
Toronto Reserve Gold Inc. Inc.	49,348.13	-	49,348.13
Ora Italia Inc.	48,216.74	-	48,216.74
3526763 Canada Ltd	26,903.63	-	26,903.63
Banz Refining Inc.	25,288.38	-	25,288.38
Suhaag Jewellers Ltd.	25,040.99	-	25,040.99
\$	143,479,482.17	\$ 10,028,332.27	\$ 133,451,149.90
		Agree to previous Statement of Audit Adjustments	Agrees to Summary Above

Adjustments by Reporting Periods:

Posting Date	Vendor Name	Description	ITC Denied
2016-06-03	2337980 Ontario Inc.	Settlement SET11708	\$ 24,948.43
2016-06-03	2402270 Ontario Inc.	Settlement SET11706	33,595.77
2016-06-03	2417916 Ontario Inc.	Settlement SET11709	33,234.50
2016-06-06	Asia Pacific International Inc.	Settlement SET11723	52,742.81
2016-06-06	K.M.Q. Precious Metal Inc.	Settlement SET11718	32,827.54
2016-06-07	K.M.Q. Precious Metal Inc.	Settlement SET11731	22,091.00
2016-06-08	Asia Pacific International Inc.	Settlement SET11749	80,006.70
2016-06-09	K.M.Q. Precious Metal Inc.	Settlement SET11760	32,859.49
2016-06-10	2402270 Ontario Inc.	Settlement SET11770	45,581.90
2016-06-13	2417916 Ontario Inc.	Settlement SET11783	41,000.96
2016-06-14	2337980 Ontario Inc.	Settlement SET11800	31,444.66
2016-06-14	Asia Pacific International Inc.	Settlement SET11779	72,979.99
2016-06-14	Asia Pacific International Inc.	Settlement SET11790	175,938.80
2016-06-14	2103710 Ontario Inc.	Credit Memo 109414	(8,798.92)
2016-06-14	2103710 Ontario Inc.	May172016	8,798.92
2016-06-14	K.M.Q. Precious Metal Inc.	Settlement SET11797	27,211.69
2016-06-14	K.M.Q. Precious Metal Inc.	Settlement SET11803	27,062.37
2016-06-15	K.M.Q. Precious Metal Inc.	Settlement SET11819	71,292.82
2016-06-16	Asia Pacific International Inc.	Settlement SET11831	53,649.17
2016-06-17	9710990 Canada Inc.	Settlement SET11838	13,570.05
2016-06-17	9710990 Canada Inc.	Settlement SET11847	20,424.04
2016-06-17	K.M.Q. Precious Metal Inc.	Settlement SET11839	36,247.88
2016-06-20	2337980 Ontario Inc.	Settlement SET11860	20,499.70
2016-06-20	2417916 Ontario Inc.	Settlement SET11861	35,060.74
2016-06-20	Asia Pacific International Inc.	Settlement SET11863	107,734.74
2016-06-20	Asia Pacific International Inc.	Settlement SET11864	67,404.93
2016-06-21	2402270 Ontario Inc.	Settlement SET11869	38,303.07
2016-06-21	K.M.Q. Precious Metal Inc.	Settlement SET11868	21,597.94
2016-06-23	Asia Pacific International Inc.	RCredit for SET11896	(74,133.78)
2016-06-23	Asia Pacific International Inc.	Settlement SET11896	74,133.78
2016-06-23	K.M.Q. Precious Metal Inc.	Settlement SET11888	61,382.56
2016-06-24	2337980 Ontario Inc.	Settlement SET11903	35,121.06
2016-06-24	2402270 Ontario Inc.	Settlement SET11914	31,913.70
2016-06-24	Asia Pacific International Inc.	Settlement SET11273	80,020.87
2016-06-24	K.M.Q. Precious Metal Inc.	Settlement SET11900	39,546.85
2016-06-27	2417916 Ontario Inc.	Settlement SET11945	57,626.40
2016-06-27	Asia Pacific International Inc.	Settlement SET11930	58,398.16
2016-06-28	K.M.Q. Precious Metal Inc.	Settlement SET11961	62,387.64
2016-06-28	2407938 Ontario Inc.	Settlement SET11967	18,250.18
2016-06-29	2402270 Ontario Inc.	Settlement SET11985	16,128.32
2016-06-29	Asia Pacific International Inc.	Settlement SET11970	61,273.04
2016-06-29	Asia Pacific International Inc.	Settlement SET11971	65,687.28
2016-06-29	K.M.Q. Precious Metal Inc.	Settlement SET11993	56,762.33
2016-06-30	Asia Pacific International Inc.	Settlement SET12013	111,776.22
2016-06-30	K.M.Q. Precious Metal Inc.	Settlement SET12025	14,619.37
Total for Period Ended 2016-06-30			\$ 1,990,205.67
2016-07-04	K.M.Q. Precious Metal Inc.	RCredit for SET12024	\$ (14,619.37)
2016-07-04	K.M.Q. Precious Metal Inc.	Settlement SET12024	14,619.37
2016-07-05	2337980 Ontario Inc.	Settlement SET12045	21,725.08
2016-07-05	Asia Pacific International Inc.	Settlement SET12033	56,315.72
2016-07-06	2402270 Ontario Inc.	Settlement SET12056	40,894.62
2016-07-07	2407938 Ontario Inc.	Settlement SET12082	25,206.35
2016-07-08	2402270 Ontario Inc.	Settlement SET12099	44,934.11
2016-07-08	2417916 Ontario Inc.	Settlement SET12097	34,888.10
2016-07-08	K.M.Q. Precious Metal Inc.	Settlement SET12090	15,368.60
2016-07-11	K.M.Q. Precious Metal Inc.	Settlement SET12120	63,351.87
2016-07-12	Asia Pacific International Inc.	Settlement SET12131	78,226.89
2016-07-12	K.M.Q. Precious Metal Inc.	Settlement SET12128	24,358.24
2016-07-13	2337980 Ontario Inc.	Settlement SET12145	36,001.68
2016-07-13	2466778 Ontario Inc.	Settlement SET12146	18,423.60
2016-07-14	2402270 Ontario Inc.	Settlement SET12162	57,239.52
2016-07-14	K.M.Q. Precious Metal Inc.	Settlement SET12151	24,806.28
2016-07-14	K.M.Q. Precious Metal Inc.	Settlement SET12153	36,078.51
2016-07-14	K.M.Q. Precious Metal Inc.	Settlement SET12169	52,135.17
2016-07-15	2417916 Ontario Inc.	Settlement SET12180	44,165.03
2016-07-15	Asia Pacific International Inc.	Settlement SET12181	119,112.31
2016-07-15	2407938 Ontario Inc.	Settlement SET12184	33,037.29
2016-07-18	K.M.Q. Precious Metal Inc.	Settlement SET12205	38,666.83
2016-07-19	9710990 Canada Inc.	Settlement SET12216	28,396.81

Posting Date	Vendor Name	Description	ITC Denied
2016-07-19	9710990 Canada Inc.	Settlement SET12218	35,264.84
2016-07-20	2337980 Ontario Inc.	Settlement SET12229	21,830.90
2016-07-20	9710990 Canada Inc.	Settlement SET12223	28,062.84
2016-07-20	K.M.Q. Precious Metal Inc.	Settlement SET12231	44,761.93
2016-07-21	2466778 Ontario Inc	Settlement SET12241	14,534.26
2016-07-22	2417916 Ontario Inc.	Settlement SET12264	49,049.39
2016-07-22	Asia Pacific International Inc.	Settlement SET12251	83,894.80
2016-07-22	Asia Pacific International Inc.	Settlement SET12252	36,963.03
2016-07-22	Asia Pacific International Inc.	Settlement SET12253	49,043.17
2016-07-25	Asia Pacific International Inc.	Settlement SET12275	136,655.44
2016-07-25	K.M.Q. Precious Metal Inc.	Settlement SET12281	52,576.54
2016-07-26	2337980 Ontario Inc.	Settlement SET12294	43,368.00
2016-07-26	2466778 Ontario Inc	Settlement SET12295	13,006.11
2016-07-26	Asia Pacific International Inc.	Settlement SET12298	71,705.59
2016-07-26	2103710 Ontario Inc.	RCredit for SET12285	(12,676.17)
2016-07-26	2103710 Ontario Inc.	Settlement SET12285	12,676.17
2016-07-26	2103710 Ontario Inc.	Settlement SET12286	12,617.54
2016-07-27	K.M.Q. Precious Metal Inc.	Settlement SET12312	50,027.71
2016-07-27	2407938 Ontario Inc.	Settlement SET12318	35,832.42
2016-07-28	Asia Pacific International Inc.	Settlement SET12326	117,075.44
2016-07-29	2337980 Ontario Inc.	Settlement SET12339	7,748.78
2016-07-29	2402270 Ontario Inc.	Settlement SET12337	67,405.00
2016-07-29	2417916 Ontario Inc.	Settlement SET12340	63,762.27
2016-07-29	Asia Pacific International Inc.	Settlement SET12348	122,074.00
2016-07-29	K.M.Q. Precious Metal Inc.	Settlement SET12335	16,808.41
Total for Period Ended 2016-07-31			\$ 2,067,401.02
2016-08-03	2337980 Ontario Inc.	Settlement SET12362	\$ 29,823.82
2016-08-03	9710990 Canada Inc.	Settlement SET12361	21,782.28
2016-08-03	9710990 Canada Inc.	Settlement SET12365	21,892.00
2016-08-04	2466778 Ontario Inc	Settlement SET12383	19,587.23
2016-08-04	9710990 Canada Inc.	Settlement SET12385	29,178.11
2016-08-04	Asia Pacific International Inc.	Settlement SET12371	70,591.00
2016-08-05	2417916 Ontario Inc.	Settlement SET12398	55,052.79
2016-08-05	9710990 Canada Inc.	Settlement SET12389	28,953.60
2016-08-05	9710990 Canada Inc.	Settlement SET12393	28,998.58
2016-08-05	Asia Pacific International Inc.	Settlement SET12419	29,121.56
2016-08-08	2402270 Ontario Inc.	Settlement SET12412	76,450.57
2016-08-10	K.M.Q. Precious Metal Inc.	Settlement SET12440	61,681.74
2016-08-11	2337980 Ontario Inc.	Settlement SET12452	28,590.38
2016-08-11	Asia Pacific International Inc.	Settlement SET12448	86,760.15
2016-08-11	Asia Pacific International Inc.	Settlement SET12476	129,393.45
2016-08-12	2417916 Ontario Inc.	Settlement SET12468	38,603.24
2016-08-12	Asia Pacific International Inc.	Settlement SET12492	131,881.33
2016-08-16	2402270 Ontario Inc.	Settlement SET12499	69,196.27
2016-08-16	9710990 Canada Inc.	Settlement SET12503	28,403.31
2016-08-16	9710990 Canada Inc.	Settlement SET12507	28,398.63
2016-08-17	9710990 Canada Inc.	Settlement SET12514	28,285.92
2016-08-17	Asia Pacific International Inc.	Settlement SET12516	35,473.36
2016-08-17	2407938 Ontario Inc.	Settlement SET12517	35,328.15
2016-08-18	2417916 Ontario Inc.	Settlement SET12523	61,017.18
2016-08-18	2103710 Ontario Inc.	Settlement SET12537	9,583.32
2016-08-18	K.M.Q. Precious Metal Inc.	Settlement SET12533	14,715.49
2016-08-19	2337980 Ontario Inc.	Settlement SET12549	45,664.27
2016-08-19	Asia Pacific International Inc.	Settlement SET12555	106,523.47
2016-08-22	Asia Pacific International Inc.	Settlement SET12570	108,532.25
2016-08-23	2402270 Ontario Inc.	Settlement SET12578	53,248.39
2016-08-23	2499583 Ontario Inc.	Settlement SET12579	16,822.39
2016-08-23	K.M.Q. Precious Metal Inc.	Settlement SET12573	46,157.73
2016-08-25	K.M.Q. Precious Metal Inc.	Settlement SET12618	64,634.79
2016-08-26	2337980 Ontario Inc.	Settlement SET12628	33,193.03
2016-08-26	Asia Pacific International Inc.	Settlement SET12633	42,101.46
2016-08-29	2417916 Ontario Inc.	Settlement SET12642	56,815.20
2016-08-29	2103710 Ontario Inc.	Settlement SET12638	7,047.83
2016-08-30	2402270 Ontario Inc.	Settlement SET12659	40,458.86
2016-08-30	Asia Pacific International Inc.	Settlement SET12658	70,616.97
2016-08-31	2466778 Ontario Inc	Settlement SET12672	29,159.65
2016-08-31	Asia Pacific International Inc.	Settlement SET12674	35,176.84
2016-08-31	K.M.Q. Precious Metal Inc.	Settlement SET12675	57,940.65
2016-08-31	K.M.Q. Precious Metal Inc.	Settlement SET12695	16,840.04
2016-08-31	2407938 Ontario Inc.	Settlement SET12673	36,003.89
Total for Period Ended 2016-08-31			\$ 2,065,681.17

Posting Date	Vendor Name	Description	ITC Denied
2016-09-02	9710990 Canada Inc.	Settlement SET12693	\$ 35,127.30
2016-09-02	9710990 Canada Inc.	Settlement SET12698	20,953.40
2016-09-02	Asia Pacific International Inc.	Settlement SET12699	28,337.25
2016-09-07	9710990 Canada Inc.	Settlement SET12709	35,583.21
2016-09-07	9710990 Canada Inc.	Settlement SET12712	39,528.32
2016-09-07	Asia Pacific International Inc.	Settlement SET12721	36,444.43
2016-09-08	K.M.Q. Precious Metal Inc.	Settlement SET12730	22,594.11
2016-09-09	Asia Pacific International Inc.	Settlement SET12745	70,016.53
2016-09-13	2402270 Ontario Inc.	Settlement SET12768	35,947.47
2016-09-13	Asia Pacific International Inc.	Settlement SET12760	41,967.44
2016-09-14	K.M.Q. Precious Metal Inc.	Settlement SET12785	15,945.75
2016-09-15	Asia Pacific International Inc.	Settlement SET12794	39,468.98
2016-09-19	2337980 Ontario Inc.	Settlement SET12838	19,293.95
2016-09-19	2402270 Ontario Inc.	Settlement SET12828	23,791.82
2016-09-19	2417916 Ontario Inc.	Settlement SET12837	43,464.85
2016-09-19	2499583 Ontario Inc.	Settlement SET12827	16,948.49
2016-09-20	9312-4071 Quebec Inc.	Settlement SET12852	2,231.84
2016-09-20	Asia Pacific International Inc.	Settlement SET12845	44,603.37
2016-09-20	Asia Pacific International Inc.	Settlement SET12846	37,143.08
2016-09-21	3526763 Canada Ltd	Settlement SET12871	4,005.43
2016-09-21	9312-4071 Quebec Inc.	Settlement SET12865	2,117.05
2016-09-21	K.M.Q. Precious Metal Inc.	Settlement SET12869	40,164.01
2016-09-22	2337980 Ontario Inc.	Settlement SET12889	33,100.34
2016-09-22	2466778 Ontario Inc	Settlement SET12890	28,209.09
2016-09-22	9710990 Canada Inc.	Settlement SET12883	21,536.32
2016-09-23	2417916 Ontario Inc.	Settlement SET12904	60,470.54
2016-09-23	3526763 Canada Ltd	Settlement SET12901	5,854.94
2016-09-23	9710990 Canada Inc.	Settlement SET12899	29,184.22
2016-09-23	9710990 Canada Inc.	Settlement SET12905	21,634.86
2016-09-23	Asia Pacific International Inc.	Settlement SET12910	33,191.29
2016-09-26	2337980 Ontario Inc.	Settlement SET12922	37,851.84
2016-09-26	2402270 Ontario Inc.	Settlement SET12929	35,329.06
2016-09-26	9312-4071 Quebec Inc.	Settlement SET12913	2,917.85
2016-09-26	9710990 Canada Inc.	Settlement SET12928	28,911.74
2016-09-26	K.M.Q. Precious Metal Inc.	Settlement SET12911	21,995.25
2016-09-27	9710990 Canada Inc.	Settlement SET12945	28,580.37
2016-09-27	K.M.Q. Precious Metal Inc.	Settlement SET12939	10,023.00
2016-09-28	2417916 Ontario Inc.	Settlement SET12948	57,424.64
2016-09-28	2466778 Ontario Inc	Settlement SET12956	28,839.20
2016-09-28	K.M.Q. Precious Metal Inc.	Settlement SET12955	71,464.14
2016-09-29	2337980 Ontario Inc.	Settlement SET12962	52,436.67
2016-09-29	2402270 Ontario Inc.	Settlement SET12964	67,649.66
2016-09-29	2407938 Ontario Inc.	Settlement SET12969	42,243.89
2016-09-30	2417916 Ontario Inc.	Settlement SET12979	52,882.83
2016-09-30	9312-4071 Quebec Inc.	Settlement SET12977	2,802.80
2016-09-30	Asia Pacific International Inc.	Settlement SET12984	144,075.34
2016-09-30	K.M.Q. Precious Metal Inc.	Settlement SET13024	84,798.50
Total for Period Ended 2016-09-30			\$ 1,659,086.46
2016-10-03	2466778 Ontario Inc	Settlement SET12993	\$ 35,842.43
2016-10-04	9312-4071 Quebec Inc.	Settlement SET13000	2,067.00
2016-10-05	2337980 Ontario Inc.	Settlement SET13021	48,567.48
2016-10-05	K.M.Q. Precious Metal Inc.	Settlement SET13016	9,610.65
2016-10-06	2417916 Ontario Inc.	Settlement SET13028	67,743.91
2016-10-06	9312-4071 Quebec Inc.	Settlement SET13025	5,273.45
2016-10-07	Asia Pacific International Inc.	Settlement SET13031	123,319.20
2016-10-11	2402270 Ontario Inc.	Settlement SET13050	41,568.41
2016-10-11	9312-4071 Quebec Inc.	Settlement SET13044	4,915.95
2016-10-11	9710990 Canada Inc.	Settlement SET13047	34,193.77
2016-10-12	2337980 Ontario Inc.	Settlement SET13061	57,088.07
2016-10-12	2466778 Ontario Inc	Settlement SET13060	30,867.72
2016-10-12	2103710 Ontario Inc.	Settlement SET13052	12,590.36
2016-10-13	9312-4071 Quebec Inc.	Settlement SET13067	4,519.19
2016-10-14	2417916 Ontario Inc.	Settlement SET13084	36,510.89
2016-10-14	9710990 Canada Inc.	Settlement SET13093	27,015.30
2016-10-14	Asia Pacific International Inc.	Settlement SET13085	36,142.22
2016-10-17	2337980 Ontario Inc.	Settlement SET13110	26,949.26
2016-10-17	2402270 Ontario Inc.	Settlement SET13108	45,158.75
2016-10-17	2417916 Ontario Inc.	Settlement SET13109	49,077.60
2016-10-17	9312-4071 Quebec Inc.	Settlement SET13099	3,750.89
2016-10-17	9710990 Canada Inc.	Settlement SET13102	26,915.98
2016-10-17	K.M.Q. Precious Metal Inc.	Settlement SET13096	21,899.55
2016-10-18	Asia Pacific International Inc.	Settlement SET13128	33,879.63

Posting Date	Vendor Name	Description	ITC Denied
2016-10-18	Asia Pacific International Inc.	Settlement SET13130	22,359.23
2016-10-19	8537399 Canada Inc	Settlement SET13134	27,250.60
2016-10-19	9710990 Canada Inc.	Settlement SET13135	34,183.24
2016-10-19	K.M.Q. Precious Metal Inc.	Settlement SET13142	14,867.34
2016-10-19	2407938 Ontario Inc.	Settlement SET13143	55,155.36
2016-10-20	2337980 Ontario Inc.	Settlement SET13145	20,108.01
2016-10-20	2402270 Ontario Inc.	Settlement SET13152	48,552.66
2016-10-20	2500028 Ontario Inc.	Settlement SET13153	6,822.66
2016-10-20	8537399 Canada Inc	Settlement SET13151	27,291.94
2016-10-20	9710990 Canada Inc.	Settlement SET13150	27,282.19
2016-10-20	K.M.Q. Precious Metal Inc.	Settlement SET13148	37,678.44
2016-10-21	2417916 Ontario Inc.	Settlement SET13180	70,202.60
2016-10-21	8537399 Canada Inc	Settlement SET13165	27,827.02
2016-10-21	9312-4071 Quebec Inc.	Settlement SET13169	2,983.50
2016-10-21	Asia Pacific International Inc.	Settlement SET13182	27,755.67
2016-10-21	Banz Refining Inc.	Settlement SET13179	5,530.98
2016-10-21	K.M.Q. Precious Metal Inc.	Settlement SET13167	43,958.47
2016-10-24	2402270 Ontario Inc.	Settlement SET13201	90,954.37
2016-10-24	9312-4071 Quebec Inc.	Settlement SET13184	2,553.85
2016-10-25	9312-4071 Quebec Inc.	Settlement SET13203	2,341.30
2016-10-26	2337980 Ontario Inc.	Settlement SET13224	56,153.63
2016-10-26	2466778 Ontario Inc	Settlement SET13223	29,983.85
2016-10-26	9312-4071 Quebec Inc.	Settlement SET13221	2,431.65
2016-10-27	Asia Pacific International Inc.	Settlement SET13233	22,799.10
2016-10-28	2402270 Ontario Inc.	Settlement SET13255	30,845.62
2016-10-28	9312-4071 Quebec Inc.	Settlement SET13244	2,267.85
2016-10-31	2417916 Ontario Inc.	Settlement SET13270	81,642.73
2016-10-31	9312-4071 Quebec Inc.	Settlement SET13258	3,423.55
2016-10-31	2407938 Ontario Inc.	Settlement SET13275	45,218.03
Total for Period Ended 2016-10-31			\$ 1,655,893.10
2016-11-01	2500028 Ontario Inc.	Settlement SET13280	\$ 28,424.11
2016-11-01	3526763 Canada Ltd	Settlement SET13284	2,296.06
2016-11-01	9312-4071 Quebec Inc.	Settlement SET13277	3,476.20
2016-11-02	Asia Pacific International Inc.	Settlement SET13301	121,287.66
2016-11-03	2337980 Ontario Inc.	Settlement SET13314	39,507.26
2016-11-03	2466778 Ontario Inc	Settlement SET13313	30,651.79
2016-11-03	9312-4071 Quebec Inc.	Settlement SET13309	1,476.80
2016-11-03	9710990 Canada Inc.	Settlement SET13324	21,298.16
2016-11-04	2402270 Ontario Inc.	Settlement SET13344	58,097.78
2016-11-04	2417916 Ontario Inc.	Settlement SET13341	52,454.87
2016-11-04	8537399 Canada Inc	Settlement SET13340	18,744.31
2016-11-04	9312-4071 Quebec Inc.	Settlement SET13326	2,044.25
2016-11-04	9710990 Canada Inc.	Settlement SET13342	64,389.78
2016-11-07	2337980 Ontario Inc.	Settlement SET13355	44,386.92
2016-11-07	2402270 Ontario Inc.	Settlement SET13358	35,967.75
2016-11-07	2417916 Ontario Inc.	Settlement SET13354	34,918.67
2016-11-07	2499583 Ontario Inc.	Settlement SET13357	26,944.23
2016-11-07	8537399 Canada Inc	Settlement SET13359	20,964.19
2016-11-07	9312-4071 Quebec Inc.	Settlement SET13347	2,077.40
2016-11-07	GTA Gold Refining Inc	Settlement SET13356	43,344.38
2016-11-08	9312-4071 Quebec Inc.	Settlement SET13363	6,673.55
2016-11-09	9312-4071 Quebec Inc.	Settlement SET13381	7,199.40
2016-11-09	GTA Gold Refining Inc	Settlement SET13391	48,807.78
2016-11-10	9312-4071 Quebec Inc.	Settlement SET13395	6,552.65
2016-11-10	GTA Gold Refining Inc	Settlement SET13405	17,109.08
2016-11-11	2402270 Ontario Inc.	Settlement SET13419	55,394.82
2016-11-11	9312-4071 Quebec Inc.	Settlement SET13417	5,680.35
2016-11-14	2337980 Ontario Inc.	Settlement SET13433	49,222.94
2016-11-14	2417916 Ontario Inc.	Settlement SET13432	89,096.41
2016-11-14	9312-4071 Quebec Inc.	Settlement SET13424	4,988.10
2016-11-14	Asia Pacific International Inc.	Settlement SET13435	40,614.60
2016-11-14	GTA Gold Refining Inc	Settlement SET13425	31,404.55
2016-11-15	2402270 Ontario Inc.	Settlement SET13440	47,666.71
2016-11-16	2466778 Ontario Inc	Settlement SET13453	16,904.58
2016-11-16	2474722 Ontario Inc.	Settlement SET13455	26,753.53
2016-11-16	2500028 Ontario Inc.	Settlement SET13452	17,150.36
2016-11-16	GTA Gold Refining Inc	Settlement SET13446	37,978.09
2016-11-17	8561648 Canada Inc	Settlement SET13466	20,122.83
2016-11-17	9710990 Canada Inc.	Settlement SET13461	27,087.19
2016-11-17	9710990 Canada Inc.	Settlement SET13465	20,126.73
2016-11-17	Asia Pacific International Inc.	Settlement SET13464	13,448.78
2016-11-17	2407938 Ontario Inc.	Settlement SET13470	43,315.09

Posting Date	Vendor Name	Description	ITC Denied
2016-11-18	2402270 Ontario Inc.	Settlement SET13482	57,006.31
2016-11-18	2417916 Ontario Inc.	Settlement SET13481	36,483.77
2016-11-18	2466778 Ontario Inc	Settlement SET13479	26,618.60
2016-11-18	9710990 Canada Inc.	Settlement SET13472	6,576.44
2016-11-18	9710990 Canada Inc.	Invoice 109447	20.79
2016-11-21	2337980 Ontario Inc.	Settlement SET13497	34,702.85
2016-11-22	9710990 Canada Inc.	Settlement SET13506	26,330.28
2016-11-23	2402270 Ontario Inc.	Settlement SET13529	50,279.76
2016-11-23	2474722 Ontario Inc.	Settlement SET13525	19,701.37
2016-11-23	2500028 Ontario Inc.	Settlement SET13527	19,752.46
2016-11-23	8537399 Canada Inc	Settlement SET13532	19,690.58
2016-11-23	9710990 Canada Inc.	Settlement SET13531	26,300.82
2016-11-24	8561648 Canada Inc	Settlement SET13533	19,653.92
2016-11-24	GTA Gold Refining Inc	Settlement SET13539	51,345.86
2016-11-25	2417916 Ontario Inc.	Settlement SET13554	33,250.20
2016-11-25	2466778 Ontario Inc	Settlement SET13553	15,724.57
2016-11-25	9710990 Canada Inc.	Settlement SET13546	45,482.60
2016-11-25	Asia Pacific International Inc.	Settlement SET13557	32,835.69
2016-11-28	2402270 Ontario Inc.	Settlement SET13575	36,097.36
2016-11-28	8561648 Canada Inc	Settlement SET13570	13,105.69
2016-11-28	9710990 Canada Inc.	Settlement SET13571	38,787.90
2016-11-28	2407938 Ontario Inc.	Settlement SET13572	46,977.06
2016-11-29	2337980 Ontario Inc.	Settlement SET13585	39,634.09
2016-11-29	2500028 Ontario Inc.	Settlement SET13582	26,401.44
2016-11-29	8537399 Canada Inc	Settlement SET13580	32,533.28
2016-11-29	8561648 Canada Inc	Settlement SET13581	26,225.81
2016-11-30	2417916 Ontario Inc.	Settlement SET13600	34,312.93
2016-11-30	8561648 Canada Inc	Settlement SET13591	19,437.73
2016-11-30	9710990 Canada Inc.	Settlement SET13594	25,624.04
2016-11-30	Asia Pacific International Inc.	Settlement SET13598	64,732.01
2016-11-30	Asia Pacific International Inc.	Settlement SET13604	51,843.98
2016-11-30	2103710 Ontario Inc.	Settlement SET13589	15,126.98
2016-11-30	GTA Gold Refining Inc	Settlement SET13599	42,786.59
Total for Period Ended 2016-11-30			\$ 2,321,434.45
2016-12-01	8561648 Canada Inc	Settlement SET13606	\$ 18,954.78
2016-12-01	9312-4071 Quebec Inc.	Settlement SET13605	757.25
2016-12-02	2337980 Ontario Inc.	Settlement SET13614	33,927.59
2016-12-02	2417916 Ontario Inc.	Settlement SET13615	26,027.98
2016-12-02	9312-4071 Quebec Inc.	Settlement SET13608	3,466.45
2016-12-05	2402270 Ontario Inc.	Settlement SET13621	51,849.20
2016-12-05	2417916 Ontario Inc.	Settlement SET13620	69,482.96
2016-12-06	2337980 Ontario Inc.	Settlement SET13633	59,159.30
2016-12-06	2466778 Ontario Inc	Settlement SET13632	20,752.68
2016-12-06	Asia Pacific International Inc.	Settlement SET13625	44,613.40
2016-12-06	Elite Precious Metal Exchange Inc.	Settlement SET13627	6,323.72
2016-12-08	2337980 Ontario Inc.	Settlement SET13651	31,528.81
2016-12-08	2417916 Ontario Inc.	Settlement SET13650	64,340.96
2016-12-08	2474722 Ontario Inc.	Settlement SET13649	12,633.40
2016-12-08	2500028 Ontario Inc.	Settlement SET13648	25,426.57
2016-12-08	8537399 Canada Inc	Settlement SET13646	37,792.04
2016-12-08	9710990 Canada Inc.	Settlement SET13647	44,208.84
2016-12-08	Elite Precious Metal Exchange Inc.	Settlement SET13643	6,308.90
2016-12-08	GTA Gold Refining Inc	Settlement SET13653	21,972.55
2016-12-09	2402270 Ontario Inc.	Settlement SET13667	59,375.81
2016-12-09	8537399 Canada Inc	Settlement SET13660	24,919.96
2016-12-09	9710990 Canada Inc.	Settlement SET13659	37,290.76
2016-12-09	Elite Precious Metal Exchange Inc.	Settlement SET13657	6,254.17
2016-12-09	GTA Gold Refining Inc	Settlement SET13671	31,761.93
2016-12-12	2337980 Ontario Inc.	Settlement SET13678	43,316.37
2016-12-12	2417916 Ontario Inc.	Settlement SET13679	49,491.21
2016-12-12	2466778 Ontario Inc	Settlement SET13677	30,846.01
2016-12-12	2474722 Ontario Inc.	Settlement SET13676	12,266.95
2016-12-12	2500028 Ontario Inc.	Settlement SET13675	12,552.28
2016-12-12	Asia Pacific International Inc.	Settlement SET13674	31,287.66
2016-12-12	GTA Gold Refining Inc	Settlement SET13672	41,472.82
2016-12-12	2407938 Ontario Inc.	Settlement SET13681	37,541.01
2016-12-13	Elite Precious Metal Exchange Inc.	Settlement SET13683	6,194.11
2016-12-14	2402270 Ontario Inc.	Settlement SET13692	59,515.82
2016-12-14	Elite Precious Metal Exchange Inc.	Settlement SET13688	6,243.12
2016-12-14	GTA Gold Refining Inc	Settlement SET13691	8,077.84
2016-12-15	2417916 Ontario Inc.	Settlement SET13703	48,644.57
2016-12-15	8537399 Canada Inc	RCredit for SET13704	(20,873.19)

Posting Date	Vendor Name	Description	ITC Denied
2016-12-15	8537399 Canada Inc	Settlement SET13704	20,873.19
2016-12-15	8537399 Canada Inc	Settlement SET13705	20,743.45
2016-12-15	9710990 Canada Inc.	Settlement SET13698	24,522.81
2016-12-15	Elite Precious Metal Exchange Inc.	Settlement SET13707	6,133.01
2016-12-16	9312-4071 Quebec Inc.	Settlement SET13718	6,118.45
2016-12-16	9710990 Canada Inc.	Settlement SET13708	24,706.11
2016-12-16	Asia Pacific International Inc.	Settlement SET13709	37,270.93
2016-12-16	Asia Pacific International Inc.	Settlement SET13717	25,577.36
2016-12-16	Elite Precious Metal Exchange Inc.	Settlement SET13712	6,201.52
2016-12-19	2337980 Ontario Inc.	Settlement SET13721	44,864.99
2016-12-19	2402270 Ontario Inc.	Settlement SET13725	63,917.36
2016-12-19	2417916 Ontario Inc.	Settlement SET13722	49,673.45
2016-12-19	9312-4071 Quebec Inc.	Settlement SET13719	4,932.59
2016-12-19	GTA Gold Refining Inc	Settlement SET13720	24,845.87
2016-12-20	9312-4071 Quebec Inc.	Settlement SET13731	4,664.40
2016-12-20	Asia Pacific International Inc.	Settlement SET13730	73,726.70
2016-12-20	Elite Precious Metal Exchange Inc.	Settlement SET13726	6,164.99
2016-12-21	2466778 Ontario Inc	Settlement SET13739	30,778.39
2016-12-21	2474722 Ontario Inc.	Settlement SET13738	24,938.03
2016-12-21	2500028 Ontario Inc.	Settlement SET13737	12,792.91
2016-12-21	9312-4071 Quebec Inc.	Settlement SET13743	4,418.70
2016-12-21	Asia Pacific International Inc.	Settlement SET13742	37,248.90
2016-12-21	Elite Precious Metal Exchange Inc.	Settlement SET13736	6,202.95
2016-12-22	9312-4071 Quebec Inc.	Settlement SET13754	16,050.45
2016-12-22	Asia Pacific International Inc.	Settlement SET13817	113,233.76
2016-12-22	Elite Precious Metal Exchange Inc.	Settlement SET13749	6,246.63
2016-12-23	2402270 Ontario Inc.	Settlement SET13760	38,214.67
2016-12-23	2499583 Ontario Inc.	Settlement SET13759	26,144.43
2016-12-23	GTA Gold Refining Inc	Settlement SET13755	10,560.71
2016-12-28	2337980 Ontario Inc.	Settlement SET13766	18,766.41
2016-12-28	9312-4071 Quebec Inc.	Settlement SET13762	15,216.50
2016-12-28	2103710 Ontario Inc.	Settlement SET13763	6,545.03
2016-12-28	2103710 Ontario Inc.	Settlement SET13764	8,754.01
2016-12-28	Elite Precious Metal Exchange Inc.	Settlement SET13765	6,298.24
2016-12-29	9312-4071 Quebec Inc.	Settlement SET13771	5,764.85
2016-12-29	Elite Precious Metal Exchange Inc.	Settlement SET13775	6,345.82
2016-12-30	2500028 Ontario Inc.	Settlement SET13780	25,622.35
2016-12-30	9312-4071 Quebec Inc.	Settlement SET13781	5,693.35
2016-12-30	Asia Pacific International Inc.	Settlement SET13796	82,760.42
2016-12-30	GTA Gold Refining Inc	Settlement SET13778	77,079.24
Total for Period Ended 2016-12-31			\$ 2,136,320.52
2017-01-03	Elite Precious Metal Exchange Inc.	Settlement SET13786	\$ 6,363.50
2017-01-04	2337980 Ontario Inc.	Settlement SET13798	35,419.61
2017-01-04	9312-4071 Quebec Inc.	Settlement SET13797	6,035.25
2017-01-04	Elite Precious Metal Exchange Inc.	Settlement SET13793	6,329.70
2017-01-05	2500028 Ontario Inc.	Settlement SET13807	25,536.55
2017-01-05	Asia Pacific International Inc.	Settlement SET13804	63,983.07
2017-01-05	Asia Pacific International Inc.	Settlement SET13805	39,723.70
2017-01-05	Elite Precious Metal Exchange Inc.	Settlement SET13803	6,480.50
2017-01-05	GTA Gold Refining Inc	Settlement SET13802	22,263.89
2017-01-06	2402270 Ontario Inc.	Settlement SET13821	71,131.74
2017-01-06	9312-4071 Quebec Inc.	Settlement SET13814	11,134.50
2017-01-06	Asia Pacific International Inc.	Settlement SET13819	50,835.29
2017-01-06	Elite Precious Metal Exchange Inc.	Settlement SET13813	6,341.40
2017-01-06	GTA Gold Refining Inc	Settlement SET13812	31,751.09
2017-01-09	2337980 Ontario Inc.	Settlement SET13830	48,690.39
2017-01-09	2402270 Ontario Inc.	Settlement SET13832	46,042.77
2017-01-09	2474722 Ontario Inc.	Settlement SET13829	20,164.43
2017-01-09	9312-4071 Quebec Inc.	Settlement SET13827	6,176.95
2017-01-09	Elite Precious Metal Exchange Inc.	Settlement SET13825	6,389.76
2017-01-10	8537399 Canada Inc	Settlement SET13841	19,059.82
2017-01-10	9312-4071 Quebec Inc.	Settlement SET13837	6,843.85
2017-01-10	9710990 Canada Inc.	Settlement SET13840	25,450.49
2017-01-10	Elite Precious Metal Exchange Inc.	Settlement SET13834	6,405.10
2017-01-11	2402270 Ontario Inc.	Settlement SET13853	3,604.77
2017-01-11	8537399 Canada Inc	Settlement SET13850	25,592.06
2017-01-11	9710990 Canada Inc.	Settlement SET13851	38,260.56
2017-01-11	9747583 Canada Ltd	Settlement SET13852	51,025.52
2017-01-11	Elite Precious Metal Exchange Inc.	Settlement SET13845	6,392.10
2017-01-11	GTA Gold Refining Inc	Settlement SET13854	22,931.26
2017-01-12	8537399 Canada Inc	Settlement SET13862	19,258.72
2017-01-12	9747583 Canada Ltd	Settlement SET13861	76,986.78

Posting Date	Vendor Name	Description	ITC Denied
2017-01-12	Elite Precious Metal Exchange Inc.	Settlement SET13857	6,434.09
2017-01-13	2337980 Ontario Inc.	Settlement SET13871	50,143.42
2017-01-13	2499583 Ontario Inc.	Settlement SET13870	116,886.82
2017-01-13	8537399 Canada Inc	Settlement SET13866	31,961.93
2017-01-13	9312-4071 Quebec Inc.	Settlement SET13875	6,545.50
2017-01-13	Asia Pacific International Inc.	Settlement SET13872	35,220.35
2017-01-16	9747583 Canada Ltd	Settlement SET13879	19,261.84
2017-01-16	Elite Precious Metal Exchange Inc.	Settlement SET13877	6,456.45
2017-01-17	2337980 Ontario Inc.	Settlement SET13891	28,716.23
2017-01-17	2402270 Ontario Inc.	Settlement SET13892	73,389.86
2017-01-17	2417916 Ontario Inc.	Settlement SET13893	77,290.84
2017-01-17	2500028 Ontario Inc.	Settlement SET13889	39,073.27
2017-01-17	9312-4071 Quebec Inc.	Settlement SET13885	13,037.70
2017-01-17	9710990 Canada Inc.	Settlement SET13887	25,782.64
2017-01-17	9747583 Canada Ltd	Settlement SET13888	25,732.98
2017-01-17	2103710 Ontario Inc.	Settlement SET13886	10,565.04
2017-01-17	Elite Precious Metal Exchange Inc.	Settlement SET13884	6,528.21
2017-01-18	2417916 Ontario Inc.	Settlement SET13904	57,983.95
2017-01-18	9312-4071 Quebec Inc.	Settlement SET13901	13,214.50
2017-01-18	Asia Pacific International Inc.	Settlement SET13909	418,551.27
2017-01-18	Elite Precious Metal Exchange Inc.	Settlement SET13895	6,501.95
2017-01-18	GTA Gold Refining Inc	Settlement SET13897	31,916.52
2017-01-19	2337980 Ontario Inc.	Settlement SET13917	38,878.27
2017-01-19	2466778 Ontario Inc	Settlement SET13919	47,224.97
2017-01-19	2474722 Ontario Inc.	Settlement SET13915	26,060.71
2017-01-19	9710990 Canada Inc.	Settlement SET13914	38,918.23
2017-01-19	9747583 Canada Ltd	Settlement SET13913	19,496.88
2017-01-19	9776087 Canada Inc.	Invoice 109574	12,285.27
2017-01-19	Elite Precious Metal Exchange Inc.	Settlement SET13912	6,608.94
2017-01-19	GTA Gold Refining Inc	Settlement SET13918	27,814.51
2017-01-20	2402270 Ontario Inc.	Settlement SET13926	79,214.40
2017-01-20	9312-4071 Quebec Inc.	Settlement SET13929	12,448.54
2017-01-20	Elite Precious Metal Exchange Inc.	Settlement SET13928	6,579.95
2017-01-20	GTA Gold Refining Inc	Settlement SET13930	20,387.24
2017-01-23	2417916 Ontario Inc.	Settlement SET13941	81,842.57
2017-01-23	2500028 Ontario Inc.	Settlement SET13939	33,040.54
2017-01-23	9312-4071 Quebec Inc.	Settlement SET13940	12,123.80
2017-01-23	9776087 Canada Inc.	Settlement SET13932	935.35
2017-01-23	Elite Precious Metal Exchange Inc.	Settlement SET13938	6,564.61
2017-01-24	9710990 Canada Inc.	Settlement SET13943	39,162.50
2017-01-24	9747583 Canada Ltd	Settlement SET13946	58,057.95
2017-01-24	GTA Gold Refining Inc	Settlement SET13945	11,787.12
2017-01-25	2337980 Ontario Inc.	Settlement SET13957	40,034.87
2017-01-25	8537399 Canada Inc	Settlement SET13951	50,881.19
2017-01-25	9312-4071 Quebec Inc.	Settlement SET13952	10,134.80
2017-01-25	Elite Precious Metal Exchange Inc.	Settlement SET13958	6,378.84
2017-01-26	2402270 Ontario Inc.	Settlement SET13968	88,917.57
2017-01-26	2466778 Ontario Inc	Settlement SET13966	45,163.32
2017-01-26	9710990 Canada Inc.	Settlement SET13963	44,538.65
2017-01-26	9747583 Canada Ltd	Settlement SET13964	18,838.72
2017-01-26	2103710 Ontario Inc.	Settlement SET13962	15,434.63
2017-01-26	Elite Precious Metal Exchange Inc.	Settlement SET13961	6,348.81
2017-01-27	2417916 Ontario Inc.	Settlement SET13979	19,296.54
2017-01-27	2474722 Ontario Inc.	Settlement SET13973	25,294.23
2017-01-27	9312-4071 Quebec Inc.	Settlement SET13980	11,125.92
2017-01-27	9747583 Canada Ltd	Settlement SET13972	25,097.78
2017-01-27	Asia Pacific International Inc.	Settlement SET13975	28,476.49
2017-01-27	Elite Precious Metal Exchange Inc.	Settlement SET13982	6,389.24
2017-01-30	2337980 Ontario Inc.	Settlement SET13988	24,815.97
2017-01-30	2402270 Ontario Inc.	Settlement SET13990	71,080.66
2017-01-30	2417916 Ontario Inc.	Settlement SET13989	64,485.69
2017-01-30	GTA Gold Refining Inc	Settlement SET13985	65,541.72
2017-01-30	M.A.C Precious Metal Refining Inc	Settlement SET13987	12,893.38
2017-01-31	2500028 Ontario Inc.	Settlement SET13996	22,519.12
Total for Period Ended 2017-01-31			\$ 3,196,920.97
2017-02-01	Elite Precious Metal Exchange Inc.	Settlement SET13999	\$ 6,349.33
2017-02-01	GTA Gold Refining Inc	Settlement SET14001	51,490.17
2017-02-02	2337980 Ontario Inc.	Settlement SET14010	33,067.33
2017-02-02	2417916 Ontario Inc.	Settlement SET14009	51,602.59
2017-02-02	Elite Precious Metal Exchange Inc.	Settlement SET14005	6,492.59
2017-02-03	2402270 Ontario Inc.	Settlement SET14017	67,820.87
2017-02-03	Elite Precious Metal Exchange Inc.	Settlement SET14013	6,483.75

Posting Date	Vendor Name	Description	ITC Denied
2017-02-06	2337980 Ontario Inc.	Settlement SET14027	46,685.31
2017-02-06	2417916 Ontario Inc.	Settlement SET14028	57,686.53
2017-02-06	2474722 Ontario Inc.	Settlement SET14030	20,391.28
2017-02-06	2500028 Ontario Inc.	Settlement SET14029	26,528.06
2017-02-06	8537399 Canada Inc	Settlement SET14024	25,945.17
2017-02-06	9710990 Canada Inc.	Settlement SET14023	26,336.44
2017-02-06	9776087 Canada Inc.	Settlement SET14019	13,173.55
2017-02-06	Elite Precious Metal Exchange Inc.	Settlement SET14018	6,565.65
2017-02-07	8561648 Canada Inc	Settlement SET14040	26,560.30
2017-02-07	9312-4071 Quebec Inc.	Settlement SET14039	10,410.92
2017-02-07	Asia Pacific International Inc.	Settlement SET14033	66,251.12
2017-02-07	Elite Precious Metal Exchange Inc.	Settlement SET14034	6,629.74
2017-02-08	2402270 Ontario Inc.	Settlement SET14048	103,488.09
2017-02-08	8537399 Canada Inc	Settlement SET14047	59,309.90
2017-02-08	8561648 Canada Inc	Settlement SET14045	46,192.72
2017-02-08	Asia Pacific International Inc.	Settlement SET14044	99,893.59
2017-02-08	Elite Precious Metal Exchange Inc.	Settlement SET14043	6,699.29
2017-02-08	GTA Gold Refining Inc	Settlement SET14049	15,176.25
2017-02-09	2337980 Ontario Inc.	Settlement SET14065	42,492.83
2017-02-09	2417916 Ontario Inc.	Settlement SET14064	66,961.23
2017-02-09	8561648 Canada Inc	Settlement SET14061	13,674.83
2017-02-09	9710990 Canada Inc.	Settlement SET14062	13,149.11
2017-02-09	9747583 Canada Ltd	Settlement SET14063	66,680.98
2017-02-09	Elite Precious Metal Exchange Inc.	Settlement SET14057	6,657.30
2017-02-10	2474722 Ontario Inc.	Settlement SET14079	27,250.91
2017-02-10	9312-4071 Quebec Inc.	Settlement SET14085	3,735.55
2017-02-10	Elite Precious Metal Exchange Inc.	Settlement SET14074	6,593.34
2017-02-10	M.A.C Precious Metal Refining Inc	Settlement SET14073	11,236.36
2017-02-13	2500028 Ontario Inc.	Settlement SET14096	19,730.10
2017-02-13	Asia Pacific International Inc.	Settlement SET14094	65,573.36
2017-02-13	2103710 Ontario Inc.	Settlement SET14093	13,526.85
2017-02-13	Elite Precious Metal Exchange Inc.	Settlement SET14088	6,605.04
2017-02-14	2402270 Ontario Inc.	Settlement SET14104	93,579.30
2017-02-14	Elite Precious Metal Exchange Inc.	Settlement SET14101	6,583.59
2017-02-15	2337980 Ontario Inc.	Settlement SET14120	66,776.00
2017-02-15	2417916 Ontario Inc.	Settlement SET14119	77,795.90
2017-02-15	9312-4071 Quebec Inc.	Settlement SET14121	6,522.36
2017-02-15	Elite Precious Metal Exchange Inc.	Settlement SET14114	6,538.87
2017-02-15	GTA Gold Refining Inc	Settlement SET14115	13,694.90
2017-02-15	M.A.C Precious Metal Refining Inc	Settlement SET14113	6,447.51
2017-02-16	8537399 Canada Inc	Settlement SET14128	32,721.00
2017-02-16	8561648 Canada Inc	Settlement SET14126	65,185.55
2017-02-16	9710990 Canada Inc.	Settlement SET14127	32,745.83
2017-02-16	9747583 Canada Ltd	Settlement SET14125	65,134.44
2017-02-16	Elite Precious Metal Exchange Inc.	Settlement SET14122	6,605.95
2017-02-16	GTA Gold Refining Inc	Settlement SET14123	33,535.93
2017-02-17	2474722 Ontario Inc.	Settlement SET14139	13,232.96
2017-02-17	2499583 Ontario Inc.	Settlement SET14137	72,266.35
2017-02-17	2500028 Ontario Inc.	Settlement SET14138	19,895.85
2017-02-17	8561648 Canada Inc	Settlement SET14141	33,007.73
2017-02-17	9710990 Canada Inc.	Settlement SET14140	26,287.95
2017-02-17	9747583 Canada Ltd	Settlement SET14142	32,992.22
2017-02-17	9776087 Canada Inc.	Settlement SET14134	10,231.91
2017-02-17	GTA Gold Refining Inc	Settlement SET14136	21,404.76
2017-02-21	2417916 Ontario Inc.	Settlement SET14148	81,181.49
2017-02-21	8561648 Canada Inc	Settlement SET14146	65,129.00
2017-02-21	9747583 Canada Ltd	Settlement SET14147	65,199.11
2017-02-21	GTA Gold Refining Inc	Settlement SET14144	22,707.41
2017-02-21	M.A.C Precious Metal Refining Inc	Settlement SET14143	9,709.28
2017-02-22	2337980 Ontario Inc.	Settlement SET14166	83,786.30
2017-02-22	2402270 Ontario Inc.	Settlement SET14156	75,201.05
2017-02-22	2466778 Ontario Inc	Settlement SET14164	47,618.91
2017-02-22	2500028 Ontario Inc.	Settlement SET14162	3,008.20
2017-02-22	8537399 Canada Inc	Settlement SET14160	65,973.83
2017-02-22	8561648 Canada Inc	Settlement SET14161	65,920.66
2017-02-22	Elite Precious Metal Exchange Inc.	Settlement SET14158	6,620.64
2017-02-22	GTA Gold Refining Inc	Settlement SET14155	27,293.62
2017-02-23	9776087 Canada Inc.	Settlement SET14168	10,166.78
2017-02-23	Elite Precious Metal Exchange Inc.	Settlement SET14170	6,666.27
2017-02-23	GTA Gold Refining Inc	Settlement SET14169	28,774.54
2017-02-24	2402270 Ontario Inc.	Settlement SET14178	86,448.70
2017-02-24	9312-4071 Quebec Inc.	Settlement SET14179	6,706.70
2017-02-24	2103710 Ontario Inc.	Settlement SET14177	21,122.49

Posting Date	Vendor Name	Description	ITC Denied
2017-02-24	GTA Gold Refining Inc	Settlement SET14175	30,253.46
2017-02-27	2337980 Ontario Inc.	Settlement SET14193	34,321.04
2017-02-27	2466778 Ontario Inc	Settlement SET14194	54,923.44
2017-02-27	Elite Precious Metal Exchange Inc.	Settlement SET14181	6,723.60
2017-02-27	GTA Gold Refining Inc	Settlement SET14182	35,807.29
2017-02-27	M.A.C Precious Metal Refining Inc	Settlement SET14180	10,284.95
2017-02-28	2402270 Ontario Inc.	Settlement SET14203	3,428.10
2017-02-28	2417916 Ontario Inc.	Settlement SET14202	82,920.76
2017-02-28	9312-4071 Quebec Inc.	Settlement SET14199	6,130.15
Total for Period Ended 2017-02-28			\$ 3,038,312.96
2017-03-01	9312-4071 Quebec Inc.	Settlement SET14209	\$ 9,016.80
2017-03-01	GTA Gold Refining Inc	Settlement SET14206	42,371.83
2017-03-02	Asia Pacific International Inc.	Settlement SET14229	60,972.05
2017-03-03	2337980 Ontario Inc.	Settlement SET14238	54,881.35
2017-03-03	2500028 Ontario Inc.	Settlement SET14231	2,936.70
2017-03-03	9312-4071 Quebec Inc.	Settlement SET14234	10,326.42
2017-03-03	9346-8460 Quebec Inc.	Settlement SET14236	8,542.95
2017-03-03	GTA Gold Refining Inc	Settlement SET14230	44,287.65
2017-03-06	Elite Precious Metal Exchange Inc.	Settlement SET14251	6,725.42
2017-03-07	2402270 Ontario Inc.	Settlement SET14267	55,661.97
2017-03-07	8561648 Canada Inc	Settlement SET14272	13,274.56
2017-03-07	8561648 Canada Inc	Settlement SET14273	32,986.67
2017-03-07	9312-4071 Quebec Inc.	Settlement SET14263	9,640.15
2017-03-07	9747583 Canada Ltd	Settlement SET14274	59,411.30
2017-03-07	9776087 Canada Inc.	Settlement SET14261	9,921.60
2017-03-07	9346-8460 Quebec Inc.	Settlement SET14269	8,013.85
2017-03-07	2103710 Ontario Inc.	Settlement SET14262	15,136.94
2017-03-07	Elite Precious Metal Exchange Inc.	Settlement SET14266	6,676.54
2017-03-08	8561648 Canada Inc	Settlement SET14278	32,857.50
2017-03-08	9747583 Canada Ltd	Settlement SET14279	58,956.04
2017-03-08	Elite Precious Metal Exchange Inc.	Settlement SET14277	6,667.57
2017-03-09	2337980 Ontario Inc.	Settlement SET14298	60,851.65
2017-03-09	2417916 Ontario Inc.	Settlement SET14297	100,912.52
2017-03-10	2402270 Ontario Inc.	Settlement SET14301	54,349.88
2017-03-10	2466778 Ontario Inc	Settlement SET14309	53,510.64
2017-03-10	8561648 Canada Inc	Settlement SET14304	28,415.79
2017-03-10	9312-4071 Quebec Inc.	Settlement SET14311	9,072.05
2017-03-10	9747583 Canada Ltd	Settlement SET14303	100,122.10
2017-03-10	9346-8460 Quebec Inc.	Settlement SET14305	7,489.95
2017-03-10	Elite Precious Metal Exchange Inc.	Settlement SET14307	6,724.90
2017-03-10	GTA Gold Refining Inc	Settlement SET14300	61,728.68
2017-03-10	M.A.C Precious Metal Refining Inc	Settlement SET14299	16,411.33
2017-03-13	9776087 Canada Inc.	Settlement SET14313	16,739.06
2017-03-15	2337980 Ontario Inc.	Settlement SET14337	68,050.81
2017-03-15	2402270 Ontario Inc.	Settlement SET14343	76,385.66
2017-03-15	Elite Precious Metal Exchange Inc.	Settlement SET14342	6,654.05
2017-03-15	GTA Gold Refining Inc	Settlement SET14340	29,795.38
2017-03-16	2417916 Ontario Inc.	Settlement SET14351	73,973.97
2017-03-16	8537399 Canada Inc	Settlement SET14352	15,607.28
2017-03-16	8561648 Canada Inc	Settlement SET14353	15,509.00
2017-03-16	9747583 Canada Ltd	Settlement SET14357	15,726.75
2017-03-16	9346-8460 Quebec Inc.	Settlement SET14355	6,768.71
2017-03-16	Elite Precious Metal Exchange Inc.	Settlement SET14348	6,699.81
2017-03-17	9747583 Canada Ltd	Settlement SET14361	19,624.02
2017-03-17	Elite Precious Metal Exchange Inc.	Settlement SET14363	6,711.77
2017-03-20	2417916 Ontario Inc.	Settlement SET14388	95,669.48
2017-03-20	Elite Precious Metal Exchange Inc.	Settlement SET14387	6,736.47
2017-03-20	M.A.C Precious Metal Refining Inc	Settlement SET14377	20,150.52
2017-03-21	2402270 Ontario Inc.	Settlement SET14401	81,650.27
2017-03-21	9312-4071 Quebec Inc.	Settlement SET14407	3,698.50
2017-03-21	9346-8460 Quebec Inc.	Settlement SET14405	7,479.55
2017-03-21	Elite Precious Metal Exchange Inc.	Settlement SET14403	6,801.60
2017-03-21	GTA Gold Refining Inc	Settlement SET14413	32,254.16
2017-03-22	2337980 Ontario Inc.	Settlement SET14431	75,837.14
2017-03-22	2466778 Ontario Inc	Settlement SET14432	55,651.25
2017-03-22	8561648 Canada Inc	Settlement SET14423	42,176.03
2017-03-22	9710990 Canada Inc.	Settlement SET14421	41,997.54
2017-03-22	9747583 Canada Ltd	Settlement SET14420	43,914.00
2017-03-22	Elite Precious Metal Exchange Inc.	Settlement SET14419	6,799.26
2017-03-23	2402270 Ontario Inc.	Settlement SET14444	77,529.23
2017-03-23	8537399 Canada Inc	Settlement SET14441	51,383.93
2017-03-23	8561648 Canada Inc	Settlement SET14442	50,911.90

Posting Date	Vendor Name	Description	ITC Denied
2017-03-23	9747583 Canada Ltd	Settlement SET14440	52,260.52
2017-03-23	Elite Precious Metal Exchange Inc.	Settlement SET14436	6,805.76
2017-03-23	GTA Gold Refining Inc	Settlement SET14435	13,620.40
2017-03-24	8561648 Canada Inc	Settlement SET14454	46,427.42
2017-03-24	9747583 Canada Ltd	Settlement SET14453	47,132.28
2017-03-24	9346-8460 Quebec Inc.	Settlement SET14452	8,104.85
2017-03-24	Elite Precious Metal Exchange Inc.	Settlement SET14450	6,840.73
2017-03-27	2103710 Ontario Inc.	Settlement SET14469	18,860.35
2017-03-27	Elite Precious Metal Exchange Inc.	Settlement SET14474	6,910.02
2017-03-27	GTA Gold Refining Inc	Settlement SET14473	37,803.89
2017-03-27	M.A.C Precious Metal Refining Inc	Settlement SET14467	17,440.41
2017-03-28	2417916 Ontario Inc.	Settlement SET14480	102,417.82
2017-03-28	2499583 Ontario Inc.	Settlement SET14478	76,127.09
2017-03-28	8537399 Canada Inc	Settlement SET14492	61,162.79
2017-03-28	8561648 Canada Inc	Settlement SET14482	33,864.51
2017-03-28	9710990 Canada Inc.	Settlement SET14485	33,664.67
2017-03-28	9747583 Canada Ltd	Settlement SET14484	33,416.50
2017-03-28	9776087 Canada Inc.	Settlement SET14477	13,867.75
2017-03-28	9346-8460 Quebec Inc.	Settlement SET14486	7,815.73
2017-03-28	Elite Precious Metal Exchange Inc.	Settlement SET14479	6,937.71
2017-03-29	2500028 Ontario Inc.	Settlement SET14496	24,496.42
2017-03-29	8561648 Canada Inc	Settlement SET14498	81,757.41
2017-03-29	Elite Precious Metal Exchange Inc.	Settlement SET14497	6,869.98
2017-03-29	GTA Gold Refining Inc	Settlement SET14495	29,847.01
2017-03-29	M.A.C Precious Metal Refining Inc	Settlement SET14499	11,102.41
2017-03-30	2337980 Ontario Inc.	Settlement SET14529	79,289.66
2017-03-30	2417916 Ontario Inc.	Settlement SET14528	103,539.58
2017-03-30	2500028 Ontario Inc.	Settlement SET14515	1,679.60
2017-03-30	8537399 Canada Inc	RCredit for SET14519	(32,450.08)
2017-03-30	8537399 Canada Inc	Settlement SET14519	32,450.08
2017-03-30	8537399 Canada Inc	Settlement SET14520	32,573.06
2017-03-30	9710990 Canada Inc.	Settlement SET14518	34,599.11
2017-03-30	Elite Precious Metal Exchange Inc.	Settlement SET14522	20,621.77
2017-03-30	S.S. Cash for Gold Inc	Settlement SET14513	14,739.92
2017-03-31	2402270 Ontario Inc.	Settlement SET14539	69,696.77
2017-03-31	8561648 Canada Inc	Settlement SET14538	66,820.23
2017-03-31	9312-4071 Quebec Inc.	Settlement SET14549	3,846.96
2017-03-31	9710990 Canada Inc.	Settlement SET14537	27,110.07
2017-03-31	9747583 Canada Ltd	Settlement SET14535	53,879.80
2017-03-31	Asia Pacific International Inc.	Settlement SET14551	80,513.60
2017-03-31	9346-8460 Quebec Inc.	Settlement SET14547	7,798.70
2017-03-31	Elite Precious Metal Exchange Inc.	Settlement SET14532	6,751.55
2017-03-31	GTA Gold Refining Inc	Settlement SET14536	10,624.86
Total for Period Ended 2017-03-31			\$ 3,507,382.12
2017-04-03	2417916 Ontario Inc.	Settlement SET14562	\$ 70,202.68
2017-04-03	2466778 Ontario Inc	Settlement SET14563	34,850.33
2017-04-03	GTA Gold Refining Inc	Settlement SET14555	14,563.90
2017-04-04	9710990 Canada Inc.	Settlement SET14584	27,491.49
2017-04-04	9747583 Canada Ltd	Settlement SET14586	20,513.09
2017-04-05	2337980 Ontario Inc.	Settlement SET14609	74,637.34
2017-04-05	8561648 Canada Inc	Settlement SET14603	20,208.78
2017-04-05	9710990 Canada Inc.	Settlement SET14604	20,605.91
2017-04-05	9747583 Canada Ltd	Settlement SET14602	20,551.44
2017-04-05	9346-8460 Quebec Inc.	Settlement SET14597	41,678.00
2017-04-05	GTA Gold Refining Inc	Settlement SET14594	29,661.25
2017-04-05	M.A.C Precious Metal Refining Inc	Settlement SET14605	18,790.20
2017-04-06	8561648 Canada Inc	Settlement SET14623	54,228.86
2017-04-06	9312-4071 Quebec Inc.	Settlement SET14611	6,633.90
2017-04-06	9710990 Canada Inc.	Settlement SET14622	47,597.55
2017-04-06	Elite Precious Metal Exchange Inc.	Settlement SET14614	20,945.41
2017-04-07	2402270 Ontario Inc.	Settlement SET14632	79,128.53
2017-04-07	2474722 Ontario Inc.	Settlement SET14634	20,754.89
2017-04-07	2500028 Ontario Inc.	Settlement SET14633	27,557.40
2017-04-07	9312-4071 Quebec Inc.	Settlement SET14630	7,523.10
2017-04-07	9346-8460 Quebec Inc.	Settlement SET14636	35,261.20
2017-04-07	Elite Precious Metal Exchange Inc.	Settlement SET14642	21,212.25
2017-04-07	GTA Gold Refining Inc	Settlement SET14627	27,416.45
2017-04-10	9348417 CANADA INC	Settlement SET14651	1,112.15
2017-04-10	9776087 Canada Inc.	Settlement SET14654	13,880.10
2017-04-10	S.S. Cash for Gold Inc	Settlement SET14644	1,510.60
2017-04-11	2402270 Ontario Inc.	Settlement SET14689	107,149.68
2017-04-11	2417916 Ontario Inc.	Settlement SET14686	84,827.80

Posting Date	Vendor Name	Description	ITC Denied
2017-04-11	9312-4071 Quebec Inc.	Settlement SET14681	5,424.25
2017-04-11	9346-8460 Quebec Inc.	Settlement SET14682	45,080.75
2017-04-11	Elite Precious Metal Exchange Inc.	Settlement SET14677	14,093.30
2017-04-11	GTA Gold Refining Inc	Settlement SET14679	44,690.29
2017-04-11	M.A.C Precious Metal Refining Inc	Settlement SET14675	10,077.60
2017-04-12	2337980 Ontario Inc.	Settlement SET14697	91,187.99
2017-04-12	Elite Precious Metal Exchange Inc.	Settlement SET14693	14,154.53
2017-04-12	GTA Gold Refining Inc	Settlement SET14703	38,593.02
2017-04-12	S.S. Cash for Gold Inc	Settlement SET14699	14,163.24
2017-04-13	9312-4071 Quebec Inc.	Settlement SET14706	6,046.95
2017-04-13	9747583 Canada Ltd	Settlement SET14707	71,846.84
2017-04-13	Elite Precious Metal Exchange Inc.	Settlement SET14708	14,141.92
2017-04-13	M.A.C Precious Metal Refining Inc	Settlement SET14718	13,889.98
2017-04-17	2337980 Ontario Inc.	Settlement SET14732	85,335.65
2017-04-17	2417916 Ontario Inc.	Settlement SET14731	105,377.02
2017-04-17	Elite Precious Metal Exchange Inc.	Settlement SET14733	21,379.80
2017-04-17	S.S. Cash for Gold Inc	Settlement SET14728	7,727.14
2017-04-18	9312-4071 Quebec Inc.	Settlement SET14738	3,970.85
2017-04-18	9747583 Canada Ltd	Settlement SET14747	91,355.42
2017-04-18	Asia Pacific International Inc.	Invoice 109923	428.47
2017-04-18	9346-8460 Quebec Inc.	Settlement SET14745	40,833.00
2017-04-18	Elite Precious Metal Exchange Inc.	Settlement SET14750	21,732.75
2017-04-18	GTA Gold Refining Inc	Settlement SET14739	47,333.30
2017-04-19	2474722 Ontario Inc.	Settlement SET14763	19,365.84
2017-04-19	2500028 Ontario Inc.	Settlement SET14764	37,996.40
2017-04-19	9312-4071 Quebec Inc.	Settlement SET14753	8,528.00
2017-04-19	Asia Pacific International Inc.	Settlement SET14765	84,701.55
2017-04-19	2103710 Ontario Inc.	Settlement SET14755	19,071.21
2017-04-19	GTA Gold Refining Inc	Settlement SET14754	35,038.27
2017-04-20	8537399 Canada Inc	Settlement SET14771	7,723.17
2017-04-20	8561648 Canada Inc	Settlement SET14780	26,060.32
2017-04-20	9312-4071 Quebec Inc.	Settlement SET14768	7,922.20
2017-04-20	9710990 Canada Inc.	Settlement SET14769	23,770.89
2017-04-20	9747583 Canada Ltd	Settlement SET14779	19,788.60
2017-04-20	Elite Precious Metal Exchange Inc.	Settlement SET14777	21,630.96
2017-04-20	GTA Gold Refining Inc	Settlement SET14774	22,931.51
2017-04-20	M.A.C Precious Metal Refining Inc	Settlement SET14775	17,025.45
2017-04-21	2466778 Ontario Inc	Settlement SET14788	28,246.05
2017-04-21	8561648 Canada Inc	Settlement SET14796	76,999.52
2017-04-21	9747583 Canada Ltd	Settlement SET14795	77,343.89
2017-04-21	9776087 Canada Inc.	Settlement SET14789	14,282.32
2017-04-21	Asia Pacific International Inc.	Settlement SET14782	71,337.76
2017-04-21	9346-8460 Quebec Inc.	Settlement SET14791	42,081.65
2017-04-21	Elite Precious Metal Exchange Inc.	Settlement SET14787	21,888.75
2017-04-24	2337980 Ontario Inc.	Settlement SET14816	76,305.05
2017-04-24	2417916 Ontario Inc.	Settlement SET14815	108,299.74
2017-04-24	2474722 Ontario Inc.	Settlement SET14817	21,185.84
2017-04-24	2500028 Ontario Inc.	Settlement SET14818	28,294.37
2017-04-24	9312-4071 Quebec Inc.	Settlement SET14820	6,529.90
2017-04-24	Elite Precious Metal Exchange Inc.	Settlement SET14811	21,542.95
2017-04-24	GTA Gold Refining Inc	Settlement SET14819	34,634.25
2017-04-24	S.S. Cash for Gold Inc	Settlement SET14802	6,988.47
2017-04-25	9710990 Canada Inc.	Settlement SET14832	20,928.96
2017-04-25	9710990 Canada Inc.	Settlement SET14835	41,651.87
2017-04-25	Asia Pacific International Inc.	Settlement SET14826	28,206.87
2017-04-25	9346-8460 Quebec Inc.	Settlement SET14831	15,850.51
2017-04-25	Elite Precious Metal Exchange Inc.	Settlement SET14827	21,539.70
2017-04-25	GTA Gold Refining Inc	Settlement SET14829	30,257.84
2017-04-26	2402270 Ontario Inc.	Settlement SET14838	107,159.65
2017-04-26	9312-4071 Quebec Inc.	Settlement SET14841	6,059.95
2017-04-26	9710990 Canada Inc.	Settlement SET14839	41,792.66
2017-04-26	Elite Precious Metal Exchange Inc.	Settlement SET14837	21,500.70
2017-04-26	GTA Gold Refining Inc	Settlement SET14840	34,817.31
2017-04-27	2474722 Ontario Inc.	Settlement SET14855	21,238.10
2017-04-27	2500028 Ontario Inc.	Settlement SET14854	35,538.10
2017-04-27	8537399 Canada Inc	Settlement SET14857	6,974.50
2017-04-27	8561648 Canada Inc	Settlement SET14860	62,640.10
2017-04-27	9312-4071 Quebec Inc.	Settlement SET14859	7,400.25
2017-04-27	9710990 Canada Inc.	Settlement SET14858	62,919.48
2017-04-27	9776087 Canada Inc.	Settlement SET14853	7,313.80
2017-04-27	Elite Precious Metal Exchange Inc.	Settlement SET14852	21,801.00
2017-04-27	GTA Gold Refining Inc	Settlement SET14851	44,228.41
2017-04-27	M.A.C Precious Metal Refining Inc	Settlement SET14861	14,137.37

Posting Date	Vendor Name	Description	ITC Denied
2017-04-28	2337980 Ontario Inc.	Settlement SET14880	45,145.70
2017-04-28	2402270 Ontario Inc.	Settlement SET14873	35,694.23
2017-04-28	2417916 Ontario Inc.	Settlement SET14881	76,768.47
2017-04-28	2466778 Ontario Inc.	Settlement SET14882	42,979.30
2017-04-28	9312-4071 Quebec Inc.	Settlement SET14870	5,978.70
2017-04-28	9348417 CANADA INC	Settlement SET14864	14,385.80
2017-04-28	Asia Pacific International Inc.	Settlement SET14896	56,378.98
2017-04-28	Asia Pacific International Inc.	Settlement SET14908	154,813.82
2017-04-28	9346-8460 Quebec Inc.	Settlement SET14875	41,611.05
2017-04-28	2103710 Ontario Inc.	Settlement SET14879	16,264.26
2017-04-28	Elite Precious Metal Exchange Inc.	Settlement SET14869	21,674.90
2017-04-28	GTA Gold Refining Inc	Settlement SET14866	7,102.62
2017-04-28	GTA Gold Refining Inc	Settlement SET14901	98,980.85
2017-04-28	S.S. Cash for Gold Inc	Settlement SET14876	7,172.34
Total for Period Ended 2017-04-30			\$ 4,025,781.37
2017-05-01	2417916 Ontario Inc.	Settlement SET14902	\$ 50,321.73
2017-05-01	9348417 CANADA INC	Settlement SET14890	21,423.22
2017-05-01	9776087 Canada Inc.	Settlement SET14887	19,576.31
2017-05-01	GTA Gold Refining Inc	RCredit for SET14900	(99,523.71)
2017-05-01	GTA Gold Refining Inc	Settlement SET14900	99,523.71
2017-05-02	2474722 Ontario Inc.	RCredit for SET14910	(28,278.64)
2017-05-02	2474722 Ontario Inc.	Settlement SET14910	28,278.64
2017-05-02	2474722 Ontario Inc.	Settlement SET14912	27,971.80
2017-05-02	2500028 Ontario Inc.	Settlement SET14911	28,300.74
2017-05-02	9312-4071 Quebec Inc.	Settlement SET14903	6,737.25
2017-05-02	9710990 Canada Inc.	Settlement SET14913	48,875.06
2017-05-02	9346-8460 Quebec Inc.	Settlement SET14915	22,980.10
2017-05-02	Elite Precious Metal Exchange Inc.	Settlement SET14917	21,749.00
2017-05-03	8561648 Canada Inc	Settlement SET14928	48,629.50
2017-05-03	9312-4071 Quebec Inc.	Settlement SET14923	6,172.40
2017-05-03	9348417 CANADA INC	Settlement SET14933	14,350.05
2017-05-03	9747583 Canada Ltd	Settlement SET14926	48,584.90
2017-05-03	Elite Precious Metal Exchange Inc.	Settlement SET14927	21,433.75
2017-05-04	2337980 Ontario Inc.	Settlement SET14946	68,646.52
2017-05-04	2417916 Ontario Inc.	Settlement SET14945	70,195.05
2017-05-04	8561648 Canada Inc	Settlement SET14942	48,523.86
2017-05-04	9710990 Canada Inc.	Settlement SET14941	48,181.25
2017-05-04	9747583 Canada Ltd	Settlement SET14940	48,158.24
2017-05-04	9346-8460 Quebec Inc.	Settlement SET14943	27,118.91
2017-05-04	Elite Precious Metal Exchange Inc.	Settlement SET14947	21,313.17
2017-05-04	GTA Gold Refining Inc	Settlement SET14935	16,330.31
2017-05-04	GTA Gold Refining Inc	Settlement SET14936	54,334.48
2017-05-04	GTA Gold Refining Inc	Settlement SET14938	3,587.13
2017-05-04	M.A.C Precious Metal Refining Inc	Settlement SET14937	15,079.48
2017-05-05	9747583 Canada Ltd	Settlement SET14954	49,488.53
2017-05-05	9346-8460 Quebec Inc.	Settlement SET14959	35,482.27
2017-05-05	GoldBrex International Inc	Settlement SET14955	28,029.11
2017-05-08	2474722 Ontario Inc.	Settlement SET14962	20,670.00
2017-05-08	2500028 Ontario Inc.	RCredit for SET14963	(27,396.96)
2017-05-08	2500028 Ontario Inc.	Settlement SET14963	27,396.96
2017-05-08	2500028 Ontario Inc.	Settlement SET14964	27,601.41
2017-05-08	9312-4071 Quebec Inc.	Settlement SET14969	5,395.65
2017-05-08	9348417 CANADA INC	Settlement SET14966	28,397.50
2017-05-08	Asia Pacific International Inc.	Invoice 110007	1,406.11
2017-05-08	GTA Gold Refining Inc	Settlement SET14977	34,677.79
2017-05-09	2402270 Ontario Inc.	Settlement SET14984	105,660.02
2017-05-09	2417916 Ontario Inc.	Settlement SET14987	41,785.10
2017-05-09	9776087 Canada Inc.	Settlement SET14982	10,362.30
2017-05-09	9346-8460 Quebec Inc.	Settlement SET14986	44,954.00
2017-05-09	Elite Precious Metal Exchange Inc.	Settlement SET14983	35,406.15
2017-05-10	2337980 Ontario Inc.	Settlement SET14993	15,573.64
2017-05-10	Elite Precious Metal Exchange Inc.	Settlement SET14995	14,141.40
2017-05-11	2474722 Ontario Inc.	Settlement SET15001	27,490.02
2017-05-11	2500028 Ontario Inc.	Settlement SET15000	27,446.90
2017-05-11	Asia Pacific International Inc.	Settlement SET15002	27,733.24
2017-05-11	M.A.C Precious Metal Refining Inc	Settlement SET15003	14,140.10
2017-05-12	2337980 Ontario Inc.	Settlement SET15026	54,866.88
2017-05-12	9747583 Canada Ltd	Settlement SET15018	82,399.20
2017-05-12	9346-8460 Quebec Inc.	Settlement SET15024	33,153.25
2017-05-12	2103710 Ontario Inc.	Settlement SET15012	22,222.28
2017-05-12	Elite Precious Metal Exchange Inc.	Settlement SET15014	21,490.17
2017-05-12	GoldBrex International Inc	Settlement SET15023	27,921.56

Posting Date	Vendor Name	Description	ITC Denied
2017-05-15	2402270 Ontario Inc.	Settlement SET15041	116,227.65
2017-05-15	9312-4071 Quebec Inc.	Settlement SET15034	6,864.00
2017-05-15	9348417 CANADA INC	Settlement SET15038	35,753.78
2017-05-15	Elite Precious Metal Exchange Inc.	Settlement SET15039	21,081.45
2017-05-15	GoldBrex International Inc	Settlement SET15031	20,355.27
2017-05-15	M.A.C Precious Metal Refining Inc	Settlement SET15040	10,190.18
2017-05-15	S.S. Cash for Gold Inc	Settlement SET15037	8,131.50
2017-05-16	2474722 Ontario Inc.	Settlement SET15049	28,200.11
2017-05-16	2500028 Ontario Inc.	Settlement SET15048	28,273.93
2017-05-16	9348417 CANADA INC	Settlement SET15057	16,587.99
2017-05-16	9776087 Canada Inc.	Settlement SET15051	9,767.16
2017-05-16	9346-8460 Quebec Inc.	Settlement SET15052	26,771.55
2017-05-16	Elite Precious Metal Exchange Inc.	Settlement SET15045	21,730.95
2017-05-16	GTA Gold Refining Inc	RCredit for SET15050	(52,872.46)
2017-05-16	GTA Gold Refining Inc	Settlement SET15050	52,872.46
2017-05-16	GTA Gold Refining Inc	Settlement SET15069	40,260.57
2017-05-17	8561648 Canada Inc	Settlement SET15067	47,745.02
2017-05-17	8561648 Canada Inc	Settlement SET15077	71,210.68
2017-05-17	9710990 Canada Inc.	Settlement SET15066	47,692.21
2017-05-17	9710990 Canada Inc.	Settlement SET15076	108,051.19
2017-05-17	9747583 Canada Ltd	Settlement SET15065	47,862.28
2017-05-17	9747583 Canada Ltd	Settlement SET15075	111,218.25
2017-05-17	Asia Pacific International Inc.	Settlement SET15064	56,631.66
2017-05-17	Elite Precious Metal Exchange Inc.	Settlement SET15062	21,603.40
2017-05-17	Fast Money Auction Inc.	Settlement SET15078	8,777.34
2017-05-17	GTA Gold Refining Inc	RCredit for SET15072	(51,485.34)
2017-05-17	GTA Gold Refining Inc	Settlement SET15072	51,485.34
2017-05-17	GTA Gold Refining Inc	Settlement SET15074	50,362.61
2017-05-17	GTA Gold Refining Inc	Settlement SET15099	55,828.19
2017-05-18	2337980 Ontario Inc.	Settlement SET15097	21,123.05
2017-05-18	2474722 Ontario Inc.	Settlement SET15097	21,123.05
2017-05-18	2499583 Ontario Inc.	Settlement SET15109	67,131.80
2017-05-18	2500028 Ontario Inc.	Settlement SET15098	28,057.25
2017-05-18	8561648 Canada Inc	Settlement SET15094	47,500.09
2017-05-18	9312-4071 Quebec Inc.	Settlement SET15096	3,627.00
2017-05-18	9710990 Canada Inc.	Settlement SET15093	41,107.95
2017-05-18	9747583 Canada Ltd	Settlement SET15091	47,813.87
2017-05-18	9346-8460 Quebec Inc.	Settlement SET15089	32,499.35
2017-05-18	Elite Precious Metal Exchange Inc.	Settlement SET15084	21,827.00
2017-05-18	Fast Money Auction Inc.	Settlement SET15106	10,436.47
2017-05-18	GTA Gold Refining Inc	Settlement SET15107	25,555.16
2017-05-19	8561648 Canada Inc	Settlement SET15113	32,557.85
2017-05-19	9348417 CANADA INC	Settlement SET15124	30,544.80
2017-05-19	9710990 Canada Inc.	RCredit for SET15111	(32,557.85)
2017-05-19	9710990 Canada Inc.	Settlement SET15111	32,557.85
2017-05-19	9710990 Canada Inc.	Settlement SET15112	41,302.95
2017-05-19	9747583 Canada Ltd	Settlement SET15117	131,903.85
2017-05-19	Elite Precious Metal Exchange Inc.	Settlement SET15110	21,475.35
2017-05-19	Fast Money Auction Inc.	Settlement SET15118	13,700.88
2017-05-19	M.A.C Precious Metal Refining Inc	Settlement SET15125	12,322.05
2017-05-23	2417916 Ontario Inc.	Settlement SET15139	70,862.44
2017-05-23	2500028 Ontario Inc.	Settlement SET15136	27,828.45
2017-05-23	9312-4071 Quebec Inc.	Settlement SET15132	5,417.10
2017-05-23	9747583 Canada Ltd	Settlement SET15135	48,126.13
2017-05-23	9346-8460 Quebec Inc.	Settlement SET15137	33,181.85
2017-05-24	2402270 Ontario Inc.	Settlement SET15149	143,757.47
2017-05-24	9710990 Canada Inc.	Settlement SET15143	47,517.92
2017-05-24	Asia Pacific International Inc.	Settlement SET15142	89,512.96
2017-05-24	M.A.C Precious Metal Refining Inc	Settlement SET15144	12,836.20
2017-05-25	9710990 Canada Inc.	Settlement SET15155	102,947.91
2017-05-25	9747583 Canada Ltd	Settlement SET15156	104,764.01
2017-05-25	Asia Pacific International Inc.	Settlement SET15160	27,547.96
2017-05-25	Asia Pacific International Inc.	Settlement SET15161	41,350.55
2017-05-25	9346-8460 Quebec Inc.	Settlement SET15157	32,085.49
2017-05-25	9346-8460 Quebec Inc.	Settlement SET15158	12,805.37
2017-05-25	Fast Money Auction Inc.	Settlement SET15154	18,596.80
2017-05-25	GTA Gold Refining Inc	Settlement SET15159	35,940.62
2017-05-26	2474722 Ontario Inc.	Settlement SET15170	28,475.20
2017-05-26	2500028 Ontario Inc.	Settlement SET15169	21,853.39
2017-05-26	9346-8460 Quebec Inc.	Settlement SET15173	41,852.07
2017-05-26	2103710 Ontario Inc.	Settlement SET15171	2,656.81
2017-05-26	2103710 Ontario Inc.	Settlement SET15172	13,260.61
2017-05-26	Elite Precious Metal Exchange Inc.	Settlement SET15167	21,739.90
2017-05-26	GTA Gold Refining Inc	Settlement SET15168	35,452.24

Posting Date	Vendor Name	Description	ITC Denied
2017-05-29	2337980 Ontario Inc.	Settlement SET15191	49,885.48
2017-05-29	2466778 Ontario Inc	Settlement SET15190	50,569.55
2017-05-29	2500028 Ontario Inc.	Settlement SET15186	5,954.39
2017-05-29	2576393 Ontario Inc.	Settlement SET15185	7,511.14
2017-05-29	9312-4071 Quebec Inc.	Settlement SET15181	4,842.24
2017-05-29	9348417 CANADA INC	Settlement SET15187	36,140.65
2017-05-29	9346-8460 Quebec Inc.	Settlement SET15188	13,136.20
2017-05-29	9346-8460 Quebec Inc.	Settlement SET15189	41,371.20
2017-05-29	S.S. Cash for Gold Inc	Settlement SET15180	986.44
2017-05-30	2576393 Ontario Inc.	Settlement SET15206	13,678.08
2017-05-30	9776087 Canada Inc.	Settlement SET15201	9,658.74
2017-05-30	Asia Pacific International Inc.	Settlement SET15197	69,809.38
2017-05-30	9346-8460 Quebec Inc.	Settlement SET15210	34,800.74
2017-05-31	2417916 Ontario Inc.	Settlement SET15224	74,340.41
2017-05-31	2466778 Ontario Inc	Settlement SET15225	55,889.90
2017-05-31	2576393 Ontario Inc.	Settlement SET15219	14,451.45
2017-05-31	9312-4071 Quebec Inc.	Settlement SET15226	3,502.46
2017-05-31	Asia Pacific International Inc.	Settlement SET15241	79,140.33
2017-05-31	GTA Gold Refining Inc	Settlement SET15214	24,906.83
2017-05-31	M.A.C Precious Metal Refining Inc	Settlement SET15217	10,358.92
Total for Period Ended 2017-05-31			\$ 4,915,438.41
2017-06-01	2474722 Ontario Inc.	Settlement SET15232	\$ 30,862.19
2017-06-01	2500028 Ontario Inc.	Settlement SET15233	30,652.08
2017-06-01	2575720 Ontario Inc.	Settlement SET15240	20,925.06
2017-06-01	9346-8460 Quebec Inc.	Settlement SET15236	48,759.49
2017-06-01	S.S. Cash for Gold Inc	Settlement SET15235	28,029.95
2017-06-02	2466778 Ontario Inc	Settlement SET15250	35,669.53
2017-06-02	2576393 Ontario Inc.	Settlement SET15246	7,389.46
2017-06-02	Elite Precious Metal Exchange Inc.	Settlement SET15245	21,619.65
2017-06-05	2500028 Ontario Inc.	Settlement SET15258	7,552.35
2017-06-05	2576393 Ontario Inc.	Settlement SET15266	21,806.85
2017-06-05	9348417 CANADA INC	Settlement SET15268	36,259.60
2017-06-05	Asia Pacific International Inc.	Settlement SET15271	84,563.66
2017-06-05	GTA Gold Refining Inc	Settlement SET15269	18,547.98
2017-06-06	2576393 Ontario Inc.	Settlement SET15278	30,117.01
2017-06-06	9348417 CANADA INC	Settlement SET15279	29,780.92
2017-06-06	9710990 Canada Inc.	Settlement SET15274	84,772.09
2017-06-06	9346-8460 Quebec Inc.	Settlement SET15281	56,570.80
2017-06-06	Fast Money Auction Inc.	Settlement SET15287	21,122.52
2017-06-07	2474722 Ontario Inc.	RCredit for SET15290	(14,574.95)
2017-06-07	2474722 Ontario Inc.	Settlement SET15290	14,574.95
2017-06-07	2474722 Ontario Inc.	Settlement SET15292	29,077.10
2017-06-07	2474722 Ontario Inc.	Settlement SET15293	0.13
2017-06-07	2500028 Ontario Inc.	Settlement SET15291	14,574.95
2017-06-07	9312-4071 Quebec Inc.	Settlement SET15295	4,127.50
2017-06-07	9346-8460 Quebec Inc.	Settlement SET15294	56,536.35
2017-06-08	2337980 Ontario Inc.	Settlement SET15311	57,245.37
2017-06-08	9776087 Canada Inc.	Settlement SET15301	13,284.05
2017-06-08	Asia Pacific International Inc.	Settlement SET15307	99,115.15
2017-06-08	Asia Pacific International Inc.	Settlement SET15306	63,646.11
2017-06-08	GTA Gold Refining Inc	Settlement SET15304	60,621.57
2017-06-09	2474722 Ontario Inc.	Settlement SET15318	28,531.75
2017-06-09	2500028 Ontario Inc.	Settlement SET15317	28,518.75
2017-06-09	9346-8460 Quebec Inc.	Settlement SET15323	54,789.80
2017-06-09	GTA Gold Refining Inc	Settlement SET15326	26,252.51
2017-06-09	M.A.C Precious Metal Refining Inc	Settlement SET15327	17,981.60
2017-06-12	2474722 Ontario Inc.	Settlement SET15332	28,413.45
2017-06-12	2500028 Ontario Inc.	Settlement SET15331	28,605.85
2017-06-12	2576393 Ontario Inc.	Settlement SET15340	30,919.85
2017-06-12	9348417 CANADA INC	Settlement SET15337	28,420.60
2017-06-12	Asia Pacific International Inc.	Settlement SET15330	22,609.05
2017-06-12	9346-8460 Quebec Inc.	Settlement SET15338	48,244.30
2017-06-13	2575720 Ontario Inc.	Settlement SET15355	18,561.40
2017-06-13	2576393 Ontario Inc.	Settlement SET15350	28,011.10
2017-06-13	9747583 Canada Ltd	Settlement SET15348	4,799.99
2017-06-13	9747583 Canada Ltd	Settlement SET15349	80,493.01
2017-06-13	9346-8460 Quebec Inc.	Settlement SET15352	54,184.00
2017-06-13	Elite Precious Metal Exchange Inc.	Settlement SET15345	20,966.40
2017-06-13	GTA Gold Refining Inc	Settlement SET15357	39,346.34
2017-06-14	2337980 Ontario Inc.	Settlement SET15369	69,789.72
2017-06-14	2417916 Ontario Inc.	Settlement SET15370	69,874.30
2017-06-14	8561648 Canada Inc	Settlement SET15359	6,879.60

Posting Date	Vendor Name	Description	ITC Denied
2017-06-14	8561648 Canada Inc	Settlement SET15363	6,870.50
2017-06-14	Asia Pacific International Inc.	Settlement SET15366	89,633.73
2017-06-14	Elite Precious Metal Exchange Inc.	Settlement SET15361	20,962.11
2017-06-14	Fast Money Auction Inc.	Settlement SET15371	8,978.28
2017-06-15	2402270 Ontario Inc.	Settlement SET15387	77,874.10
2017-06-15	2474722 Ontario Inc.	Settlement SET15381	13,949.65
2017-06-15	2500028 Ontario Inc.	Settlement SET15380	27,948.70
2017-06-15	2576393 Ontario Inc.	Settlement SET15385	20,959.25
2017-06-15	8561648 Canada Inc	Settlement SET15376	5,675.80
2017-06-15	9312-4071 Quebec Inc.	Settlement SET15390	4,551.95
2017-06-15	Asia Pacific International Inc.	Settlement SET15388	75,275.60
2017-06-15	2103710 Ontario Inc.	Settlement SET15379	19,502.25
2017-06-15	Elite Precious Metal Exchange Inc.	Settlement SET15378	20,979.66
2017-06-15	Fast Money Auction Inc.	Settlement SET15391	11,223.88
2017-06-15	GTA Gold Refining Inc	Settlement SET15382	33,826.85
2017-06-16	9710990 Canada Inc.	Settlement SET15392	6,806.80
2017-06-16	9747583 Canada Ltd	Settlement SET15406	26,918.19
2017-06-16	9776087 Canada Inc.	Settlement SET15394	16,961.10
2017-06-16	Asia Pacific International Inc.	Settlement SET15407	67,920.08
2017-06-16	9346-8460 Quebec Inc.	Settlement SET15401	60,080.82
2017-06-16	Elite Precious Metal Exchange Inc.	Settlement SET15395	20,945.60
2017-06-16	Fast Money Auction Inc.	Settlement SET15400	8,117.12
2017-06-16	GTA Gold Refining Inc	Settlement SET15393	40,187.40
2017-06-16	M.A.C Precious Metal Refining Inc	Settlement SET15403	14,030.90
2017-06-19	2417916 Ontario Inc.	Settlement SET15431	69,460.35
2017-06-19	2474722 Ontario Inc.	Settlement SET15416	27,513.71
2017-06-19	2500028 Ontario Inc.	Settlement SET15417	27,528.16
2017-06-19	9348417 CANADA INC	Settlement SET15419	27,683.53
2017-06-19	9346-8460 Quebec Inc.	Settlement SET15424	52,992.90
2017-06-19	Elite Precious Metal Exchange Inc.	Settlement SET15426	20,769.45
2017-06-19	Fast Money Auction Inc.	Settlement SET15425	11,874.50
2017-06-19	GTA Gold Refining Inc	Settlement SET15430	18,695.43
2017-06-20	2337980 Ontario Inc.	Settlement SET15446	61,288.84
2017-06-20	2576393 Ontario Inc.	Settlement SET15447	50,580.68
2017-06-20	9312-4071 Quebec Inc.	Settlement SET15440	5,349.50
2017-06-20	Asia Pacific International Inc.	Settlement SET15435	67,575.55
2017-06-20	Elite Precious Metal Exchange Inc.	Settlement SET15437	20,674.33
2017-06-21	Elite Precious Metal Exchange Inc.	Settlement SET15451	20,695.35
2017-06-21	Fast Money Auction Inc.	Settlement SET15461	6,699.55
2017-06-22	2417916 Ontario Inc.	Settlement SET15481	82,527.82
2017-06-22	2575720 Ontario Inc.	Settlement SET15466	17,101.20
2017-06-22	2576393 Ontario Inc.	Settlement SET15472	25,050.79
2017-06-22	9747583 Canada Ltd	Settlement SET15479	33,323.94
2017-06-22	9776087 Canada Inc.	Settlement SET15469	10,042.99
2017-06-22	9346-8460 Quebec Inc.	Settlement SET15475	26,493.24
2017-06-22	9346-8460 Quebec Inc.	Settlement SET15476	26,077.29
2017-06-22	Elite Precious Metal Exchange Inc.	Settlement SET15467	20,792.57
2017-06-22	M.A.C Precious Metal Refining Inc	Settlement SET15478	15,999.75
2017-06-22	S.S. Cash for Gold Inc	Settlement SET15465	902.46
2017-06-23	2474722 Ontario Inc.	Settlement SET15486	27,896.88
2017-06-23	2500028 Ontario Inc.	Settlement SET15487	27,827.04
2017-06-23	9346-8460 Quebec Inc.	Settlement SET15491	40,680.90
2017-06-26	2474722 Ontario Inc.	Settlement SET15502	34,338.85
2017-06-26	2500028 Ontario Inc.	Settlement SET15503	20,620.60
2017-06-26	9312-4071 Quebec Inc.	Settlement SET15507	4,797.00
2017-06-26	9348417 CANADA INC	Settlement SET15506	54,764.32
2017-06-26	Asia Pacific International Inc.	Settlement SET15509	73,903.17
2017-06-26	M.A.C Precious Metal Refining Inc	Settlement SET15501	13,109.98
2017-06-27	2417916 Ontario Inc.	Settlement SET15529	65,914.58
2017-06-27	2575720 Ontario Inc.	Settlement SET15534	17,255.29
2017-06-27	2576393 Ontario Inc.	Settlement SET15533	34,388.64
2017-06-27	8561648 Canada Inc	Settlement SET15517	6,659.90
2017-06-27	9747583 Canada Ltd	Settlement SET15521	65,927.29
2017-06-27	9346-8460 Quebec Inc.	RCredit for SET15527	(609.57)
2017-06-27	9346-8460 Quebec Inc.	Settlement SET15526	28,071.83
2017-06-27	9346-8460 Quebec Inc.	Settlement SET15527	609.57
2017-06-27	9346-8460 Quebec Inc.	Settlement SET15528	40,150.74
2017-06-27	Elite Precious Metal Exchange Inc.	Settlement SET15520	20,532.85
2017-06-27	GTA Gold Refining Inc	Settlement SET15532	25,274.81
2017-06-28	2337980 Ontario Inc.	Settlement SET15548	67,343.38
2017-06-28	2474722 Ontario Inc.	Settlement SET15551	27,036.23
2017-06-28	2500028 Ontario Inc.	Settlement SET15550	27,114.62
2017-06-28	8561648 Canada Inc	Settlement SET15543	6,628.05

Posting Date	Vendor Name	Description	ITC Denied
2017-06-28	9710990 Canada Inc.	Settlement SET15542	8,633.82
2017-06-28	Asia Pacific International Inc.	Settlement SET15676	67,006.82
2017-06-28	GTA Gold Refining Inc	Settlement SET15556	46,904.99
2017-06-29	2466778 Ontario Inc	Settlement SET15567	47,294.65
2017-06-29	8561648 Canada Inc	Settlement SET15565	6,620.90
2017-06-29	8561648 Canada Inc	Settlement SET15570	6,627.40
2017-06-30	9776087 Canada Inc.	Settlement SET15575	12,494.30
2017-06-30	2103710 Ontario Inc.	Settlement SET15576	20,036.90
2017-06-30	GTA Gold Refining Inc	Settlement SET15574	147,856.34
2017-06-30	M.A.C Precious Metal Refining Inc	Settlement SET15578	14,739.40
2017-06-30	S.S. Cash for Gold Inc	Settlement SET15573	1,785.55
Total for Period Ended 2017-06-30			\$ 4,307,535.06
2017-07-10	2417916 Ontario Inc.	Settlement SET15610	\$ 59,613.10
2017-07-10	2474722 Ontario Inc.	Settlement SET15600	26,106.60
2017-07-10	2500028 Ontario Inc.	Settlement SET15599	26,041.60
2017-07-10	2575720 Ontario Inc.	Settlement SET15614	11,429.73
2017-07-10	2576393 Ontario Inc.	Settlement SET15609	59,116.77
2017-07-10	9348417 CANADA INC	Settlement SET15592	32,712.63
2017-07-10	M.A.C Precious Metal Refining Inc	Settlement SET15603	13,870.35
2017-07-11	2337980 Ontario Inc.	Settlement SET15624	65,376.00
2017-07-11	2417916 Ontario Inc.	Settlement SET15632	50,748.54
2017-07-11	9348417 CANADA INC	Settlement SET15623	32,890.00
2017-07-11	9346-8460 Quebec Inc.	Settlement SET15641	11,654.41
2017-07-11	9346-8460 Quebec Inc.	Settlement SET15642	11,812.92
2017-07-11	GTA Gold Refining Inc	Settlement SET15639	123,918.64
2017-07-11	S.S. Cash for Gold Inc	Settlement SET15617	1,919.71
2017-07-12	2466778 Ontario Inc	Settlement SET15654	31,928.79
2017-07-12	2466778 Ontario Inc	Settlement SET15655	861.03
2017-07-12	8561648 Canada Inc	Settlement SET15646	6,361.55
2017-07-12	9348417 CANADA INC	Settlement SET15649	32,603.19
2017-07-12	9776087 Canada Inc.	Settlement SET15651	8,406.45
2017-07-12	GTA Gold Refining Inc	Settlement SET15645	59,096.48
2017-07-13	2474722 Ontario Inc.	Settlement SET15661	25,562.43
2017-07-13	2500028 Ontario Inc.	Settlement SET15663	25,533.91
2017-07-13	8561648 Canada Inc	Settlement SET15657	6,361.94
2017-07-13	9346-8460 Quebec Inc.	Settlement SET15662	69,546.80
2017-07-13	S.S. Cash for Gold Inc	Settlement SET15656	1,569.10
2017-07-14	2417916 Ontario Inc.	Settlement SET15675	28,662.30
2017-07-14	2576393 Ontario Inc.	Settlement SET15680	97,888.08
2017-07-14	9710990 Canada Inc.	Settlement SET15668	26,915.14
2017-07-17	2466778 Ontario Inc	Settlement SET15699	19,368.06
2017-07-17	2474722 Ontario Inc.	Settlement SET15692	26,131.76
2017-07-17	2500028 Ontario Inc.	Settlement SET15691	26,005.74
2017-07-17	Elite Precious Metal Exchange Inc.	Settlement SET15693	19,199.44
2017-07-17	M.A.C Precious Metal Refining Inc	Settlement SET15694	12,116.00
2017-07-18	2337980 Ontario Inc.	Settlement SET15708	58,410.40
2017-07-18	2417916 Ontario Inc.	Settlement SET15710	31,723.44
2017-07-18	9348417 CANADA INC	Settlement SET15711	59,421.70
2017-07-18	9776087 Canada Inc.	Settlement SET15704	12,726.35
2017-07-18	9346-8460 Quebec Inc.	Settlement SET15709	25,125.10
2017-07-18	Elite Precious Metal Exchange Inc.	Settlement SET15703	19,472.70
2017-07-19	2466778 Ontario Inc	Settlement SET15726	20,499.52
2017-07-19	2474722 Ontario Inc.	Settlement SET15723	19,198.92
2017-07-19	2500028 Ontario Inc.	Settlement SET15722	26,610.35
2017-07-19	2575720 Ontario Inc.	Settlement SET15730	9,578.52
2017-07-19	2576393 Ontario Inc.	Settlement SET15729	78,936.92
2017-07-19	9710990 Canada Inc.	Settlement SET15717	26,251.81
2017-07-19	9747583 Canada Ltd	Settlement SET15718	19,046.30
2017-07-19	Elite Precious Metal Exchange Inc.	Settlement SET15716	19,502.60
2017-07-19	M.A.C Precious Metal Refining Inc	Settlement SET15728	13,265.85
2017-07-20	2417916 Ontario Inc.	Settlement SET15746	63,623.74
2017-07-20	9348417 CANADA INC	Settlement SET15745	52,034.86
2017-07-20	9346-8460 Quebec Inc.	Settlement SET15743	24,566.73
2017-07-20	9346-8460 Quebec Inc.	Settlement SET15744	38,060.81
2017-07-20	Elite Precious Metal Exchange Inc.	Settlement SET15733	24,401.26
2017-07-21	2417916 Ontario Inc.	Settlement SET15757	31,804.58
2017-07-21	2474722 Ontario Inc.	Settlement SET15751	25,559.04
2017-07-21	2500028 Ontario Inc.	Settlement SET15752	25,541.50
2017-07-21	9346-8460 Quebec Inc.	Settlement SET15755	44,002.09
2017-07-21	Elite Precious Metal Exchange Inc.	Settlement SET15748	19,615.05
2017-07-24	2337980 Ontario Inc.	Settlement SET15776	65,460.93
2017-07-24	9747583 Canada Ltd	Settlement SET15769	62,713.91

Posting Date	Vendor Name	Description	ITC Denied
2017-07-24	Elite Precious Metal Exchange Inc.	Settlement SET15770	19,654.05
2017-07-25	2417916 Ontario Inc.	Settlement SET15802	64,625.36
2017-07-25	2576393 Ontario Inc.	Settlement SET15783	79,747.18
2017-07-25	8561648 Canada Inc	Settlement SET15798	6,381.05
2017-07-25	9348417 CANADA INC	Settlement SET15797	59,421.21
2017-07-25	9747583 Canada Ltd	Settlement SET15803	12,610.19
2017-07-25	9776087 Canada Inc.	Settlement SET15792	11,619.53
2017-07-25	9346-8460 Quebec Inc.	RCredit for SET15794	(63,043.96)
2017-07-25	9346-8460 Quebec Inc.	Settlement SET15794	63,043.96
2017-07-25	9346-8460 Quebec Inc.	Settlement SET15795	63,805.06
2017-07-25	Elite Precious Metal Exchange Inc.	Settlement SET15787	19,652.62
2017-07-25	GTA Gold Refining Inc	Settlement SET15785	25,943.64
2017-07-26	2474722 Ontario Inc.	Settlement SET15819	26,023.08
2017-07-26	2500028 Ontario Inc.	Settlement SET15820	25,829.78
2017-07-26	2575720 Ontario Inc.	Settlement SET15822	12,582.25
2017-07-26	8561648 Canada Inc	Settlement SET15812	6,558.50
2017-07-26	9710990 Canada Inc.	Settlement SET15808	25,544.01
2017-07-26	Elite Precious Metal Exchange Inc.	Settlement SET15809	19,484.53
2017-07-26	GTA Gold Refining Inc	Settlement SET15821	65,919.56
2017-07-27	2337980 Ontario Inc.	Settlement SET15834	64,872.04
2017-07-27	2417916 Ontario Inc.	Settlement SET15836	32,608.75
2017-07-27	8561648 Canada Inc	Settlement SET15831	6,178.90
2017-07-27	9710990 Canada Inc.	Settlement SET15827	25,351.11
2017-07-27	9747583 Canada Ltd	Settlement SET15828	6,319.86
2017-07-27	9346-8460 Quebec Inc.	Settlement SET15833	18,320.25
2017-07-27	Elite Precious Metal Exchange Inc.	Settlement SET15826	19,783.92
2017-07-28	2474722 Ontario Inc.	Settlement SET15841	25,882.87
2017-07-28	2500028 Ontario Inc.	Settlement SET15840	25,877.80
2017-07-28	9348417 CANADA INC	Settlement SET15844	40,067.71
2017-07-28	2103710 Ontario Inc.	Settlement SET15843	26,176.08
2017-07-28	Elite Precious Metal Exchange Inc.	Settlement SET15838	19,669.00
2017-07-31	2417916 Ontario Inc.	Settlement SET15864	44,937.22
2017-07-31	2474722 Ontario Inc.	Settlement SET15857	26,020.93
2017-07-31	2500028 Ontario Inc.	Settlement SET15858	25,901.20
2017-07-31	9776087 Canada Inc.	Settlement SET15856	29,289.39
2017-07-31	9346-8460 Quebec Inc.	Settlement SET15862	29,418.35
2017-07-31	9346-8460 Quebec Inc.	Settlement SET15863	24,312.60
2017-07-31	Elite Precious Metal Exchange Inc.	Settlement SET15853	19,702.67
2017-07-31	GTA Gold Refining Inc	Settlement SET15860	13,102.07
2017-07-31	GTA Gold Refining Inc	Settlement SET15876	27,855.55
Total for Period Ended 2017-07-31			\$ 3,065,534.04
2017-08-01	2575720 Ontario Inc.	Settlement SET15894	\$ 10,450.79
2017-08-01	8561648 Canada Inc	Settlement SET15890	6,600.10
2017-08-01	Asia Pacific International Inc.	RCredit for SET15885	(45,115.22)
2017-08-01	Asia Pacific International Inc.	Settlement SET15885	45,115.22
2017-08-01	Asia Pacific International Inc.	Settlement SET16051	45,290.27
2017-08-01	GTA Gold Refining Inc	RCredit for SET15875	(27,855.55)
2017-08-01	GTA Gold Refining Inc	Settlement SET15875	27,855.55
2017-08-02	92957216 Quebec Inc.	Settlement SET15905	36,422.10
2017-08-02	9346-8460 Quebec Inc.	Settlement SET15903	32,022.38
2017-08-02	9346-8460 Quebec Inc.	Settlement SET15904	9,194.12
2017-08-02	Elite Precious Metal Exchange Inc.	Settlement SET15899	19,810.70
2017-08-03	2337980 Ontario Inc.	Settlement SET15922	52,753.87
2017-08-03	8561648 Canada Inc	Settlement SET15913	6,603.22
2017-08-03	8561648 Canada Inc	Settlement SET15927	6,509.75
2017-08-03	Asia Pacific International Inc.	RCredit for SET15915	(24,753.09)
2017-08-03	Asia Pacific International Inc.	RCredit for SET16031	(24,929.36)
2017-08-03	Asia Pacific International Inc.	Settlement SET15915	24,753.09
2017-08-03	Asia Pacific International Inc.	Settlement SET16031	24,929.36
2017-08-03	Asia Pacific International Inc.	Settlement SET16042	24,753.09
2017-08-03	Elite Precious Metal Exchange Inc.	Settlement SET15914	19,932.38
2017-08-03	GTA Gold Refining Inc	Settlement SET15925	42,049.52
2017-08-04	2474722 Ontario Inc.	Settlement SET15929	26,062.01
2017-08-04	2500028 Ontario Inc.	Settlement SET15930	45,380.01
2017-08-04	92957216 Quebec Inc.	Settlement SET15937	37,068.85
2017-08-04	9312-4071 Quebec Inc.	Settlement SET15934	1,673.10
2017-08-04	9747583 Canada Ltd	Settlement SET15935	44,733.13
2017-08-04	Asia Pacific International Inc.	Settlement SET16026	58,499.57
2017-08-04	9346-8460 Quebec Inc.	Settlement SET15938	44,973.07
2017-08-04	9346-8460 Quebec Inc.	Settlement SET15940	14,984.27
2017-08-04	Elite Precious Metal Exchange Inc.	Settlement SET15939	19,821.88
2017-08-08	2474722 Ontario Inc.	Settlement SET15952	32,576.18

Posting Date	Vendor Name	Description	ITC Denied
2017-08-08	2500028 Ontario Inc.	Settlement SET15951	45,666.92
2017-08-08	2576393 Ontario Inc.	Settlement SET15956	79,868.23
2017-08-08	2589913 Ontario Inc	Settlement SET15953	2,783.95
2017-08-08	9348417 CANADA INC	Settlement SET15949	46,171.32
2017-08-08	9747583 Canada Ltd	Settlement SET15948	38,322.70
2017-08-08	9776087 Canada Inc.	Settlement SET15950	31,737.27
2017-08-08	Elite Precious Metal Exchange Inc.	Settlement SET15946	26,769.21
2017-08-08	S.S. Cash for Gold Inc	Settlement SET15945	3,001.58
2017-08-09	2337980 Ontario Inc.	Settlement SET15970	40,331.42
2017-08-09	2417916 Ontario Inc.	Settlement SET15971	67,203.98
2017-08-09	2466778 Ontario Inc	Settlement SET15974	40,887.47
2017-08-09	9312-4071 Quebec Inc.	Settlement SET15963	3,031.60
2017-08-09	9747583 Canada Ltd	Settlement SET15961	19,620.25
2017-08-09	Elite Precious Metal Exchange Inc.	Settlement SET15960	26,989.17
2017-08-10	2575720 Ontario Inc.	Settlement SET15986	15,514.79
2017-08-10	9312-4071 Quebec Inc.	Settlement SET15982	4,834.05
2017-08-10	9348417 CANADA INC	Settlement SET15987	40,938.17
2017-08-10	9747583 Canada Ltd	Settlement SET15983	39,601.25
2017-08-10	Elite Precious Metal Exchange Inc.	Settlement SET15980	27,004.90
2017-08-11	2417916 Ontario Inc.	Settlement SET16016	81,068.99
2017-08-11	2474722 Ontario Inc.	Settlement SET15999	33,475.52
2017-08-11	2500028 Ontario Inc.	Settlement SET16000	40,047.67
2017-08-11	2589913 Ontario Inc	Settlement SET15998	3,830.06
2017-08-11	9312-4071 Quebec Inc.	Settlement SET16003	4,514.64
2017-08-11	9747583 Canada Ltd	Settlement SET16009	39,592.93
2017-08-11	2388905 Ontario Inc.	Settlement SET16020	3,347.24
2017-08-11	Elite Precious Metal Exchange Inc.	Settlement SET16010	27,345.63
2017-08-11	Fast Money Auction Inc.	Settlement SET16008	19,833.19
2017-08-11	S.S. Cash for Gold Inc	Settlement SET16002	2,735.07
2017-08-14	2337980 Ontario Inc.	Settlement SET16037	60,769.71
2017-08-14	2589913 Ontario Inc	Settlement SET16022	33,983.30
2017-08-14	9348417 CANADA INC	Settlement SET16033	47,309.43
2017-08-14	9776087 Canada Inc.	Settlement SET16023	35,553.18
2017-08-14	Best Price 4 Gold Inc.	Settlement SET16039	34,362.87
2017-08-14	Fast Money Auction Inc.	Settlement SET16029	19,837.35
2017-08-15	2474722 Ontario Inc.	Settlement SET16049	19,978.95
2017-08-15	2500028 Ontario Inc.	Settlement SET16050	33,238.15
2017-08-15	92957216 Quebec Inc.	Settlement SET16046	38,782.90
2017-08-15	9710990 Canada Inc.	Settlement SET16052	250.25
2017-08-15	9346-8460 Quebec Inc.	Settlement SET16047	46,020.90
2017-08-15	9346-8460 Quebec Inc.	Settlement SET16048	10,107.91
2017-08-15	Elite Precious Metal Exchange Inc.	Settlement SET16041	26,867.75
2017-08-16	2337980 Ontario Inc.	Settlement SET16068	27,246.91
2017-08-16	2417916 Ontario Inc.	Settlement SET16067	100,227.42
2017-08-16	2576393 Ontario Inc.	Settlement SET16066	90,137.36
2017-08-16	2103710 Ontario Inc.	Settlement SET16062	23,328.07
2017-08-17	2589913 Ontario Inc	Settlement SET16090	40,954.89
2017-08-17	3526763 Canada Ltd	Settlement SET16088	1,337.70
2017-08-17	8561648 Canada Inc	Settlement SET16080	6,486.35
2017-08-17	9312-4071 Quebec Inc.	Settlement SET16082	4,085.90
2017-08-17	9348417 CANADA INC	Settlement SET16081	26,939.64
2017-08-17	9346-8460 Quebec Inc.	Settlement SET16087	35,899.50
2017-08-17	Elite Precious Metal Exchange Inc.	Settlement SET16072	26,936.00
2017-08-17	GTA Gold Refining Inc	Settlement SET16085	54,455.97
2017-08-18	2474722 Ontario Inc.	Settlement SET16095	33,497.49
2017-08-18	2500028 Ontario Inc.	Settlement SET16094	39,920.40
2017-08-18	2575720 Ontario Inc.	Settlement SET16097	11,965.92
2017-08-18	8561648 Canada Inc	Settlement SET16096	6,667.70
2017-08-18	9776087 Canada Inc.	Settlement SET16093	33,690.80
2017-08-21	2337980 Ontario Inc.	Settlement SET16120	68,766.99
2017-08-21	9348417 CANADA INC	Settlement SET16113	33,678.32
2017-08-21	9747583 Canada Ltd	Settlement SET16119	39,111.28
2017-08-21	Best Price 4 Gold Inc.	Settlement SET16108	32,932.03
2017-08-21	Elite Precious Metal Exchange Inc.	Settlement SET16121	26,863.46
2017-08-22	2576393 Ontario Inc.	Settlement SET16140	94,944.72
2017-08-22	92957216 Quebec Inc.	Settlement SET16124	29,026.53
2017-08-22	9747583 Canada Ltd	RCredit for SET16131	(59,394.27)
2017-08-22	9747583 Canada Ltd	Settlement SET16131	59,394.27
2017-08-22	9747583 Canada Ltd	Settlement SET16132	58,711.64
2017-08-22	Asia Pacific International Inc.	Settlement SET16128	67,105.17
2017-08-22	9346-8460 Quebec Inc.	Settlement SET16126	62,499.45
2017-08-22	GTA Gold Refining Inc	Settlement SET16136	60,377.85
2017-08-22	GTA Gold Refining Inc	Settlement SET16141	40,693.57

Posting Date	Vendor Name	Description	ITC Denied
2017-08-22	GTA Gold Refining Inc	Settlement SET16142	5,202.47
2017-08-22	S.S. Cash for Gold Inc	Settlement SET16127	16,792.62
2017-08-23	2417916 Ontario Inc.	Settlement SET16148	82,783.54
2017-08-23	8561648 Canada Inc	Settlement SET16145	6,554.34
2017-08-23	8561648 Canada Inc	Settlement SET16158	6,571.89
2017-08-23	9312-4071 Quebec Inc.	Settlement SET16150	3,649.75
2017-08-23	9348417 CANADA INC	Settlement SET16153	47,684.82
2017-08-23	9710990 Canada Inc.	Settlement SET16149	26,516.57
2017-08-23	9710990 Canada Inc.	Settlement SET16159	19,851.43
2017-08-23	9747583 Canada Ltd	Settlement SET16156	26,022.62
2017-08-23	9982132 Canada Inc.	Settlement SET16143	26,526.63
2017-08-23	Asia Pacific International Inc.	Settlement SET16160	73,644.63
2017-08-23	Asia Pacific International Inc.	Settlement SET16161	53,483.71
2017-08-23	GTA Gold Refining Inc	Settlement SET16155	40,846.20
2017-08-23	S.S. Cash for Gold Inc	Settlement SET16146	6,361.55
2017-08-24	2575720 Ontario Inc.	Settlement SET16167	14,347.22
2017-08-24	8537399 Canada Inc	RCredit for SET16170	(19,866.45)
2017-08-24	8537399 Canada Inc	Settlement SET16170	19,866.45
2017-08-24	8561648 Canada Inc	Settlement SET16168	6,590.74
2017-08-24	9747583 Canada Ltd	Settlement SET16169	84,635.20
2017-08-24	S.S. Cash for Gold Inc	Settlement SET16163	7,853.82
2017-08-25	2417916 Ontario Inc.	Settlement SET16192	66,840.43
2017-08-25	2474722 Ontario Inc.	Settlement SET16183	26,608.79
2017-08-25	2500028 Ontario Inc.	Settlement SET16182	26,662.61
2017-08-25	8537399 Canada Inc	Settlement SET16176	0.13
2017-08-25	8561648 Canada Inc	Settlement SET16178	6,543.29
2017-08-25	92957216 Quebec Inc.	Settlement SET16188	30,571.45
2017-08-25	9710990 Canada Inc.	Settlement SET16177	19,866.45
2017-08-25	9710990 Canada Inc.	Settlement SET16180	19,864.90
2017-08-25	9747583 Canada Ltd	Settlement SET16179	19,556.16
2017-08-25	9982132 Canada Inc.	Settlement SET16175	33,271.68
2017-08-25	2388905 Ontario Inc.	Settlement SET16193	3,254.55
2017-08-25	9346-8460 Quebec Inc.	Settlement SET16189	52,303.16
2017-08-25	9346-8460 Quebec Inc.	Settlement SET16190	8,472.62
2017-08-25	GTA Gold Refining Inc	Settlement SET16191	13,663.31
2017-08-25	S.S. Cash for Gold Inc	Settlement SET16197	2,812.03
2017-08-28	2337980 Ontario Inc.	Settlement SET16211	26,748.25
2017-08-28	2576393 Ontario Inc.	Settlement SET16217	61,923.16
2017-08-28	92957216 Quebec Inc.	Settlement SET16213	26,507.91
2017-08-28	9348417 CANADA INC	Settlement SET16210	47,968.31
2017-08-28	Asia Pacific International Inc.	Settlement SET16218	80,139.85
2017-08-28	9346-8460 Quebec Inc.	Settlement SET16215	5,336.89
2017-08-28	9346-8460 Quebec Inc.	Settlement SET16216	52,743.60
2017-08-28	Elite Precious Metal Exchange Inc.	Settlement SET16196	26,957.06
2017-08-28	GTA Gold Refining Inc	Settlement SET16205	20,504.48
2017-08-28	S.S. Cash for Gold Inc	Settlement SET16198	5,670.08
2017-08-29	2474722 Ontario Inc.	Settlement SET16223	40,644.37
2017-08-29	2500028 Ontario Inc.	Settlement SET16224	27,076.79
2017-08-29	9982132 Canada Inc.	RCredit for SET16219	(13,312.26)
2017-08-29	9982132 Canada Inc.	Settlement SET16219	13,312.26
2017-08-29	9982132 Canada Inc.	Settlement SET16220	13,567.32
2017-08-29	GTA Gold Refining Inc	Settlement SET16229	67,171.13
2017-08-30	2575720 Ontario Inc.	Settlement SET16239	12,566.00
2017-08-30	92957216 Quebec Inc.	Settlement SET16251	27,085.50
2017-08-30	9348417 CANADA INC	Settlement SET16245	34,639.15
2017-08-30	Asia Pacific International Inc.	Settlement SET16244	32,363.91
2017-08-30	9346-8460 Quebec Inc.	Settlement SET16256	5,060.25
2017-08-30	9346-8460 Quebec Inc.	Settlement SET16257	53,339.00
2017-08-30	GTA Gold Refining Inc	Settlement SET16242	26,847.74
2017-08-31	2417916 Ontario Inc.	Settlement SET16278	88,895.30
2017-08-31	2466778 Ontario Inc	Settlement SET16300	47,383.18
2017-08-31	Asia Pacific International Inc.	Settlement SET16294	60,479.11
2017-08-31	2103710 Ontario Inc.	Settlement SET16267	21,164.37
2017-08-31	GTA Gold Refining Inc	Settlement SET16275	34,759.46
2017-08-31	M.A.C Precious Metal Refining Inc	Settlement SET16273	30,571.45
2017-08-31	S.S. Cash for Gold Inc	Settlement SET16263	4,308.20
Total for Period Ended 2017-08-31			\$ 4,948,418.34
2017-09-01	2474722 Ontario Inc.	Settlement SET16299	\$ 47,070.14
2017-09-01	2500028 Ontario Inc.	Settlement SET16298	33,560.15
2017-09-01	92957216 Quebec Inc.	Settlement SET16284	40,282.45
2017-09-01	9982132 Canada Inc.	Settlement SET16282	26,916.50
2017-09-01	9346-8460 Quebec Inc.	Settlement SET16285	40,184.30

Posting Date	Vendor Name	Description	ITC Denied
2017-09-05	2474722 Ontario Inc.	Settlement SET16313	27,307.02
2017-09-05	2500028 Ontario Inc.	Settlement SET16314	35,147.45
2017-09-05	92957216 Quebec Inc.	Settlement SET16312	34,969.35
2017-09-05	9348417 CANADA INC	Settlement SET16310	62,073.05
2017-09-05	9747583 Canada Ltd	Settlement SET16309	26,813.89
2017-09-05	9346-8460 Quebec Inc.	Settlement SET16315	5,468.45
2017-09-05	9346-8460 Quebec Inc.	Settlement SET16316	40,133.60
2017-09-05	Elite Precious Metal Exchange Inc.	Settlement SET16308	27,536.99
2017-09-05	S.S. Cash for Gold Inc	Settlement SET16305	2,622.36
2017-09-06	2337980 Ontario Inc.	Settlement SET16326	82,790.35
2017-09-06	2417916 Ontario Inc.	Settlement SET16336	67,735.52
2017-09-06	2589913 Ontario Inc	Settlement SET16338	88,566.53
2017-09-06	9747583 Canada Ltd	Settlement SET16334	27,983.44
2017-09-06	9776087 Canada Inc.	Settlement SET16339	26,488.15
2017-09-06	Elite Precious Metal Exchange Inc.	Settlement SET16327	27,374.88
2017-09-06	GTA Gold Refining Inc	RCredit for SET16340	(44,406.98)
2017-09-06	GTA Gold Refining Inc	Settlement SET16340	44,406.98
2017-09-06	GTA Gold Refining Inc	Settlement SET16341	51,100.02
2017-09-06	S.S. Cash for Gold Inc	Settlement SET16324	2,152.41
2017-09-07	2575720 Ontario Inc.	Settlement SET16355	13,947.79
2017-09-07	92957216 Quebec Inc.	Settlement SET16349	44,260.84
2017-09-07	9346-8460 Quebec Inc.	Settlement SET16351	4,793.75
2017-09-07	9346-8460 Quebec Inc.	Settlement SET16352	46,250.75
2017-09-07	Elite Precious Metal Exchange Inc.	Settlement SET16345	27,294.15
2017-09-07	S.S. Cash for Gold Inc	Settlement SET16344	3,309.02
2017-09-08	2466778 Ontario Inc	Settlement SET16372	21,471.70
2017-09-08	2474722 Ontario Inc.	Settlement SET16366	33,475.16
2017-09-08	2500028 Ontario Inc.	Settlement SET16368	33,576.27
2017-09-08	Elite Precious Metal Exchange Inc.	Settlement SET16361	27,196.78
2017-09-08	GTA Gold Refining Inc	Settlement SET16363	27,234.48
2017-09-08	GTA Gold Refining Inc	Settlement SET16364	27,889.52
2017-09-08	S.S. Cash for Gold Inc	Settlement SET16359	12,049.05
2017-09-11	2337980 Ontario Inc.	Settlement SET16387	67,093.01
2017-09-11	92957216 Quebec Inc.	Settlement SET16388	46,236.58
2017-09-11	9348417 CANADA INC	Settlement SET16389	67,540.60
2017-09-11	9346-8460 Quebec Inc.	Settlement SET16385	66,016.60
2017-09-11	Elite Precious Metal Exchange Inc.	Settlement SET16375	27,012.57
2017-09-11	GTA Gold Refining Inc	Settlement SET16377	33,598.01
2017-09-11	S.S. Cash for Gold Inc	Settlement SET16374	7,445.88
2017-09-12	2474722 Ontario Inc.	Settlement SET16400	26,697.06
2017-09-12	2500028 Ontario Inc.	Settlement SET16401	40,237.86
2017-09-12	2576393 Ontario Inc.	Settlement SET16403	88,256.87
2017-09-12	Elite Precious Metal Exchange Inc.	Settlement SET16394	26,857.22
2017-09-12	Fast Money Auction Inc.	Settlement SET16402	6,621.42
2017-09-12	GTA Gold Refining Inc	Settlement SET16395	18,604.60
2017-09-12	S.S. Cash for Gold Inc	Settlement SET16398	7,140.12
2017-09-13	2417916 Ontario Inc.	Settlement SET16433	71,880.12
2017-09-13	8561648 Canada Inc	Settlement SET16410	6,559.80
2017-09-13	92957216 Quebec Inc.	Settlement SET16424	44,817.50
2017-09-13	9710990 Canada Inc.	Settlement SET16412	26,448.24
2017-09-13	9747583 Canada Ltd	Settlement SET16416	45,413.34
2017-09-13	9776087 Canada Inc.	Settlement SET16413	40,226.68
2017-09-13	Asia Pacific International Inc.	Settlement SET16422	26,414.30
2017-09-13	9346-8460 Quebec Inc.	Settlement SET16425	1,695.20
2017-09-13	9346-8460 Quebec Inc.	Settlement SET16426	65,107.25
2017-09-13	Elite Precious Metal Exchange Inc.	Settlement SET16409	26,885.69
2017-09-13	Fast Money Auction Inc.	RCredit for SET16420	(6,456.19)
2017-09-13	Fast Money Auction Inc.	RCredit for SET16418	(6,456.19)
2017-09-13	Fast Money Auction Inc.	Settlement SET16418	6,456.19
2017-09-13	Fast Money Auction Inc.	Settlement SET16420	6,456.19
2017-09-13	Fast Money Auction Inc.	Settlement SET16421	6,456.19
2017-09-13	S.S. Cash for Gold Inc	Settlement SET16411	4,917.90
2017-09-14	2474722 Ontario Inc.	Settlement SET16446	33,219.55
2017-09-14	2500028 Ontario Inc.	Settlement SET16445	33,174.31
2017-09-14	2576393 Ontario Inc.	Settlement SET16451	94,609.09
2017-09-14	9747583 Canada Ltd	Settlement SET16452	15,662.38
2017-09-14	Asia Pacific International Inc.	Settlement SET16436	52,611.03
2017-09-14	Elite Precious Metal Exchange Inc.	Settlement SET16439	26,987.74
2017-09-14	Fast Money Auction Inc.	Settlement SET16443	6,577.99
2017-09-14	M.A.C Precious Metal Refining Inc	Settlement SET16448	29,165.11
2017-09-14	S.S. Cash for Gold Inc	Settlement SET16437	4,336.02
2017-09-15	2575720 Ontario Inc.	Settlement SET16455	12,969.11
2017-09-15	92957216 Quebec Inc.	Settlement SET16463	39,568.10

Posting Date	Vendor Name	Description	ITC Denied
2017-09-15	9348417 CANADA INC	Settlement SET16462	60,608.47
2017-09-15	9982132 Canada Inc.	Settlement SET16456	26,399.75
2017-09-15	9346-8460 Quebec Inc.	Settlement SET16461	59,434.05
2017-09-15	GTA Gold Refining Inc	Settlement SET16458	18,893.73
2017-09-15	S.S. Cash for Gold Inc	Settlement SET16459	9,698.64
2017-09-18	2337980 Ontario Inc.	Settlement SET16482	53,194.28
2017-09-18	92957216 Quebec Inc.	Settlement SET16478	38,920.31
2017-09-18	9982132 Canada Inc.	Settlement SET16470	26,403.00
2017-09-18	Asia Pacific International Inc.	Settlement SET16481	78,411.47
2017-09-18	9346-8460 Quebec Inc.	Settlement SET16479	58,745.05
2017-09-18	S.S. Cash for Gold Inc	Settlement SET16471	1,463.54
2017-09-19	2474722 Ontario Inc.	Settlement SET16493	39,456.07
2017-09-19	2500028 Ontario Inc.	Settlement SET16494	26,380.79
2017-09-19	2576393 Ontario Inc.	Settlement SET16507	94,819.96
2017-09-19	9348417 CANADA INC	Settlement SET16502	60,726.92
2017-09-19	9776087 Canada Inc.	Settlement SET16504	30,118.66
2017-09-19	9982132 Canada Inc.	Settlement SET16487	26,306.80
2017-09-19	Fast Money Auction Inc.	Settlement SET16491	19,723.86
2017-09-19	GTA Gold Refining Inc	Settlement SET16496	14,971.52
2017-09-19	GTA Gold Refining Inc	Settlement SET16497	13,472.23
2017-09-19	M.A.C Precious Metal Refining Inc	Settlement SET16490	33,473.31
2017-09-19	S.S. Cash for Gold Inc	Settlement SET16488	4,752.66
2017-09-20	92957216 Quebec Inc.	Settlement SET16517	39,563.29
2017-09-20	Asia Pacific International Inc.	Settlement SET16520	26,318.51
2017-09-20	9346-8460 Quebec Inc.	Settlement SET16518	59,167.94
2017-09-20	Elite Precious Metal Exchange Inc.	Settlement SET16508	26,936.78
2017-09-20	GTA Gold Refining Inc	Settlement SET16510	40,198.40
2017-09-20	S.S. Cash for Gold Inc	Settlement SET16509	4,193.15
2017-09-21	2417916 Ontario Inc.	Settlement SET16534	79,840.32
2017-09-21	Elite Precious Metal Exchange Inc.	Settlement SET16523	26,665.08
2017-09-21	GTA Gold Refining Inc	Settlement SET16525	26,602.94
2017-09-21	GTA Gold Refining Inc	Settlement SET16526	40,232.04
2017-09-21	S.S. Cash for Gold Inc	Settlement SET16522	3,328.00
2017-09-22	2575720 Ontario Inc.	Settlement SET16535	19,386.18
2017-09-22	92957216 Quebec Inc.	RCredit for SET16542	(38,203.36)
2017-09-22	92957216 Quebec Inc.	Settlement SET16542	38,203.36
2017-09-22	92957216 Quebec Inc.	Settlement SET16544	38,961.39
2017-09-22	9747583 Canada Ltd	Settlement SET16540	43,352.14
2017-09-22	9346-8460 Quebec Inc.	Settlement SET16543	58,081.40
2017-09-25	2337980 Ontario Inc.	Settlement SET16557	59,126.41
2017-09-25	2417916 Ontario Inc.	Settlement SET16566	80,840.54
2017-09-25	2466778 Ontario Inc	Settlement SET16551	39,581.06
2017-09-25	92957216 Quebec Inc.	Settlement SET16560	39,219.70
2017-09-25	9776087 Canada Inc.	Settlement SET16552	27,861.21
2017-09-25	9346-8460 Quebec Inc.	Settlement SET16561	52,731.90
2017-09-25	Fast Money Auction Inc.	Settlement SET16562	20,250.36
2017-09-25	S.S. Cash for Gold Inc	Settlement SET16550	1,970.67
2017-09-26	2474722 Ontario Inc.	Settlement SET16581	19,869.20
2017-09-26	2500028 Ontario Inc.	Settlement SET16580	26,466.70
2017-09-26	2576393 Ontario Inc.	Settlement SET16589	80,226.83
2017-09-26	9348417 CANADA INC	Settlement SET16583	53,459.67
2017-09-26	Asia Pacific International Inc.	Settlement SET16591	47,583.00
2017-09-26	M.A.C Precious Metal Refining Inc	Settlement SET16585	33,267.65
2017-09-26	S.S. Cash for Gold Inc	Settlement SET16570	2,221.18
2017-09-27	2417916 Ontario Inc.	Settlement SET16594	92,549.21
2017-09-27	8561648 Canada Inc	Settlement SET16601	6,787.86
2017-09-27	8561648 Canada Inc	Settlement SET16607	33,197.17
2017-09-27	92957216 Quebec Inc.	Settlement SET16598	85,203.30
2017-09-27	9710990 Canada Inc.	Settlement SET16596	27,207.54
2017-09-27	Asia Pacific International Inc.	RCredit for SET16603	(80,787.24)
2017-09-27	Asia Pacific International Inc.	Settlement SET16603	80,787.24
2017-09-27	Banz Refining Inc.	Settlement SET16602	18,272.15
2017-09-27	9346-8460 Quebec Inc.	Settlement SET16605	84,968.00
2017-09-27	S.S. Cash for Gold Inc	Settlement SET16593	3,070.99
2017-09-28	8561648 Canada Inc	Settlement SET16618	33,269.27
2017-09-28	9710990 Canada Inc.	Settlement SET16625	32,416.38
2017-09-28	Asia Pacific International Inc.	RCredit for SET16624	(81,855.81)
2017-09-28	Asia Pacific International Inc.	RCredit for SET16636	(81,061.09)
2017-09-28	Asia Pacific International Inc.	Settlement SET16624	81,855.81
2017-09-28	Asia Pacific International Inc.	Settlement SET16636	81,061.09
2017-09-28	Asia Pacific International Inc.	Settlement SET16646	81,855.81
2017-09-28	Fast Money Auction Inc.	Settlement SET16615	25,839.76
2017-09-28	Fast Money Auction Inc.	Settlement SET16622	13,152.69

Posting Date	Vendor Name	Description	ITC Denied
2017-09-28	GTA Gold Refining Inc	Settlement SET16619	19,957.99
2017-09-28	GTA Gold Refining Inc	Settlement SET16620	19,125.88
2017-09-28	S.S. Cash for Gold Inc	Settlement SET16609	8,011.64
2017-09-29	2457041 Ontario Ltd.	Settlement SET16627	26,605.15
2017-09-29	2474722 Ontario Inc.	Settlement SET16632	26,360.88
2017-09-29	2500028 Ontario Inc.	Settlement SET16633	32,955.65
2017-09-29	2575720 Ontario Inc.	Settlement SET16634	16,193.32
2017-09-29	8561648 Canada Inc	Settlement SET16628	6,762.73
2017-09-29	9348417 CANADA INC	Settlement SET16638	53,395.41
2017-09-29	Asia Pacific International Inc.	Settlement SET16637	81,792.82
2017-09-29	Asia Pacific International Inc.	Settlement SET16650	26,247.17
2017-09-29	9346-8460 Quebec Inc.	Settlement SET16641	78,297.05
2017-09-29	GTA Gold Refining Inc	Settlement SET16719	64,890.13
2017-09-29	S.S. Cash for Gold Inc	Settlement SET16626	2,817.75
Total for Period Ended 2017-09-30			\$ 5,307,169.71
2017-10-02	2337980 Ontario Inc.	Settlement SET16658	\$ 40,751.61
2017-10-02	9776087 Canada Inc.	Settlement SET16647	32,215.69
2017-10-02	Fast Money Auction Inc.	Settlement SET16654	13,086.71
2017-10-02	GTA Gold Refining Inc	RCredit for SET16645	(64,890.13)
2017-10-02	GTA Gold Refining Inc	Settlement SET16645	64,890.13
2017-10-02	S.S. Cash for Gold Inc	Settlement SET16642	1,776.06
2017-10-03	2417916 Ontario Inc.	Settlement SET16684	78,853.19
2017-10-03	2576393 Ontario Inc.	Settlement SET16679	92,776.48
2017-10-03	92957216 Quebec Inc.	Settlement SET16672	77,538.63
2017-10-03	9348417 CANADA INC	Settlement SET16673	59,834.19
2017-10-03	9747583 Canada Ltd	Settlement SET16670	51,413.15
2017-10-03	9346-8460 Quebec Inc.	Settlement SET16681	77,933.18
2017-10-03	Elite Precious Metal Exchange Inc.	Settlement SET16666	19,729.45
2017-10-03	Fast Money Auction Inc.	Settlement SET16667	26,110.50
2017-10-03	S.S. Cash for Gold Inc	Settlement SET16665	3,106.35
2017-10-04	2589913 Ontario Inc	Settlement SET16695	73,464.38
2017-10-04	9747583 Canada Ltd	Settlement SET16694	38,961.47
2017-10-04	Fast Money Auction Inc.	Settlement SET16697	13,017.81
2017-10-04	S.S. Cash for Gold Inc	Settlement SET16687	3,069.43
2017-10-05	2575720 Ontario Inc.	Settlement SET16705	12,885.17
2017-10-05	8561648 Canada Inc	Settlement SET16704	6,633.25
2017-10-05	8561648 Canada Inc	Settlement SET16714	13,064.87
2017-10-05	92957216 Quebec Inc.	Settlement SET16713	38,684.60
2017-10-05	9747583 Canada Ltd	RCredit for SET16706	(77,453.74)
2017-10-05	9747583 Canada Ltd	Settlement SET16706	77,453.74
2017-10-05	9747583 Canada Ltd	Settlement SET16707	77,453.79
2017-10-05	9346-8460 Quebec Inc.	Settlement SET16712	38,635.28
2017-10-05	S.S. Cash for Gold Inc	Settlement SET16700	4,421.69
2017-10-05	S.S. Cash for Gold Inc	Settlement SET16703	4,203.42
2017-10-06	8561648 Canada Inc	Settlement SET16718	13,046.41
2017-10-06	9348417 CANADA INC	Settlement SET16728	60,330.00
2017-10-06	Elite Precious Metal Exchange Inc.	Settlement SET16735	26,500.50
2017-10-06	GTA Gold Refining Inc	Settlement SET16723	14,066.24
2017-10-06	S.S. Cash for Gold Inc	Settlement SET16720	4,232.54
2017-10-06	S.S. Cash for Gold Inc	Settlement SET16721	3,821.74
2017-10-10	2457041 Ontario Ltd.	Settlement SET16738	29,308.89
2017-10-10	2474722 Ontario Inc.	Settlement SET16744	26,523.77
2017-10-10	2500028 Ontario Inc.	Settlement SET16743	26,467.22
2017-10-10	8561648 Canada Inc	Settlement SET16753	13,188.63
2017-10-10	92957216 Quebec Inc.	Settlement SET16742	39,566.80
2017-10-10	9348417 CANADA INC	Settlement SET16746	33,827.04
2017-10-10	9346-8460 Quebec Inc.	Settlement SET16754	72,555.56
2017-10-10	Fast Money Auction Inc.	Settlement SET16748	19,775.47
2017-10-10	M.A.C Precious Metal Refining Inc	Settlement SET16747	30,531.67
2017-10-10	S.S. Cash for Gold Inc	Settlement SET16737	737.36
2017-10-11	2589913 Ontario Inc	Settlement SET16776	67,802.86
2017-10-11	8537399 Canada Inc	Settlement SET16765	19,778.98
2017-10-11	8537399 Canada Inc	Settlement SET16778	52,145.74
2017-10-11	8561648 Canada Inc	Settlement SET16759	13,182.39
2017-10-11	8561648 Canada Inc	Settlement SET16775	12,984.01
2017-10-11	92957216 Quebec Inc.	Settlement SET16760	39,486.98
2017-10-11	9710990 Canada Inc.	Settlement SET16763	34,967.66
2017-10-11	9747583 Canada Ltd	Settlement SET16766	78,160.51
2017-10-11	2388905 Ontario Inc.	Settlement SET16762	3,085.55
2017-10-11	Asia Pacific International Inc.	Settlement SET16758	52,669.15
2017-10-11	9346-8460 Quebec Inc.	Settlement SET16774	45,950.51
2017-10-11	Elite Precious Metal Exchange Inc.	Settlement SET16773	26,742.14

Posting Date	Vendor Name	Description	ITC Denied
2017-10-11	Fast Money Auction Inc.	Settlement SET16767	19,783.92
2017-10-11	GTA Gold Refining Inc	Settlement SET16761	10,865.43
2017-10-11	SH Refining Ltd.	Settlement SET16779	3,411.59
2017-10-12	2576393 Ontario Inc.	Settlement SET16787	93,832.57
2017-10-12	8561648 Canada Inc	Settlement SET16794	6,597.76
2017-10-12	9776087 Canada Inc.	Settlement SET16783	30,027.54
2017-10-12	GTA Gold Refining Inc	Settlement SET16798	65,754.80
2017-10-13	8561648 Canada Inc	Settlement SET16801	59,554.04
2017-10-13	92957216 Quebec Inc.	Settlement SET16804	66,201.20
2017-10-13	Asia Pacific International Inc.	Settlement SET16869	59,586.53
2017-10-13	9346-8460 Quebec Inc.	Settlement SET16806	65,861.51
2017-10-13	Fast Money Auction Inc.	Settlement SET16810	32,968.91
2017-10-13	S.S. Cash for Gold Inc	Settlement SET16799	1,714.83
2017-10-16	2337980 Ontario Inc.	Settlement SET16824	81,155.66
2017-10-16	2474722 Ontario Inc.	Settlement SET16828	34,021.91
2017-10-16	2500028 Ontario Inc.	Settlement SET16829	40,701.18
2017-10-16	8561648 Canada Inc	Settlement SET16819	6,646.64
2017-10-16	8561648 Canada Inc	Settlement SET16832	19,933.16
2017-10-16	92957216 Quebec Inc.	Settlement SET16826	73,126.04
2017-10-16	9747583 Canada Ltd	Settlement SET16831	36,014.64
2017-10-16	Asia Pacific International Inc.	Settlement SET16870	46,768.92
2017-10-16	9346-8460 Quebec Inc.	Settlement SET16834	71,637.80
2017-10-16	Elite Precious Metal Exchange Inc.	Settlement SET16817	27,375.01
2017-10-16	S.S. Cash for Gold Inc	Settlement SET16816	1,694.54
2017-10-17	2457041 Ontario Ltd.	Settlement SET16839	27,996.80
2017-10-17	2575720 Ontario Inc.	Settlement SET16850	13,052.21
2017-10-17	2576393 Ontario Inc.	Settlement SET16853	94,232.38
2017-10-17	8537399 Canada Inc	Settlement SET16852	51,450.36
2017-10-17	9747583 Canada Ltd	Settlement SET16851	34,245.13
2017-10-17	M.A.C Precious Metal Refining Inc	Settlement SET16848	27,114.75
2017-10-17	S.S. Cash for Gold Inc	Settlement SET16838	1,147.64
2017-10-18	2474722 Ontario Inc.	Settlement SET16868	32,780.28
2017-10-18	2500028 Ontario Inc.	Settlement SET16867	26,218.53
2017-10-18	2589913 Ontario Inc	Settlement SET16874	93,264.75
2017-10-18	8561648 Canada Inc	Settlement SET16866	6,518.07
2017-10-18	92957216 Quebec Inc.	Settlement SET16863	58,583.07
2017-10-18	9710990 Canada Inc.	Settlement SET16857	52,449.80
2017-10-18	9710990 Canada Inc.	Settlement SET16862	51,752.63
2017-10-18	9346-8460 Quebec Inc.	Settlement SET16872	65,180.44
2017-10-18	GTA Gold Refining Inc	RCredit for SET16874	(93,264.75)
2017-10-18	GTA Gold Refining Inc	Settlement SET16877	33,043.52
2017-10-18	S.S. Cash for Gold Inc	Settlement SET16858	1,189.63
2017-10-19	2417916 Ontario Inc.	Settlement SET16887	90,073.62
2017-10-19	8561648 Canada Inc	Settlement SET16892	26,038.99
2017-10-19	9710990 Canada Inc.	Settlement SET16879	25,833.65
2017-10-19	9747583 Canada Ltd	Settlement SET16893	30,522.95
2017-10-19	Best Price 4 Gold Inc.	Settlement SET16884	19,646.80
2017-10-19	Elite Precious Metal Exchange Inc.	Settlement SET16885	27,010.45
2017-10-19	GTA Gold Refining Inc	Settlement SET16886	87,819.73
2017-10-19	S.S. Cash for Gold Inc	Settlement SET16882	3,240.12
2017-10-20	2417916 Ontario Inc.	Settlement SET16897	91,638.89
2017-10-20	8561648 Canada Inc	Settlement SET16901	19,543.65
2017-10-20	8561648 Canada Inc	Settlement SET16910	19,793.76
2017-10-20	9747583 Canada Ltd	Settlement SET16903	42,433.04
2017-10-20	9776087 Canada Inc.	Settlement SET16895	31,328.31
2017-10-20	9982132 Canada Inc.	Settlement SET16906	33,078.89
2017-10-20	Asia Pacific International Inc.	Settlement SET16899	39,480.81
2017-10-20	Fast Money Auction Inc.	Settlement SET16904	22,949.81
2017-10-20	S.S. Cash for Gold Inc	Settlement SET16896	2,898.22
2017-10-23	2337980 Ontario Inc.	Settlement SET16916	66,352.76
2017-10-23	2474722 Ontario Inc.	Settlement SET16918	26,600.82
2017-10-23	2500028 Ontario Inc.	Settlement SET16917	26,585.54
2017-10-23	92957216 Quebec Inc.	Settlement SET16926	72,608.30
2017-10-23	9710990 Canada Inc.	Settlement SET16927	26,672.57
2017-10-23	9346-8460 Quebec Inc.	Settlement SET16919	72,759.70
2017-10-23	Elite Precious Metal Exchange Inc.	Settlement SET16928	47,730.03
2017-10-23	Fast Money Auction Inc.	Settlement SET16930	19,602.44
2017-10-23	S.S. Cash for Gold Inc	Settlement SET16915	4,603.69
2017-10-24	2466778 Ontario Inc	Settlement SET16934	53,431.23
2017-10-24	2576393 Ontario Inc.	Settlement SET16947	87,344.08
2017-10-24	9710990 Canada Inc.	Settlement SET16951	26,240.20
2017-10-24	9710990 Canada Inc.	Settlement SET16952	19,683.51
2017-10-24	Asia Pacific International Inc.	Settlement SET16941	138,376.65

Posting Date	Vendor Name	Description	ITC Denied
2017-10-24	Elite Precious Metal Exchange Inc.	Settlement SET16948	40,494.63
2017-10-24	Fast Money Auction Inc.	Settlement SET16937	26,460.20
2017-10-24	GTA Gold Refining Inc	Settlement SET16953	10,361.40
2017-10-24	S.S. Cash for Gold Inc	Settlement SET16933	4,946.37
2017-10-24	S.S. Cash for Gold Inc	Settlement SET16944	2,845.96
2017-10-25	2575720 Ontario Inc.	Settlement SET16968	10,509.07
2017-10-25	8561648 Canada Inc	Settlement SET16954	26,158.78
2017-10-25	9710990 Canada Inc.	Settlement SET16959	26,158.38
2017-10-25	9747583 Canada Ltd	Settlement SET16966	46,164.04
2017-10-25	9346-8460 Quebec Inc.	Settlement SET16965	66,062.10
2017-10-25	Elite Precious Metal Exchange Inc.	Settlement SET16967	40,827.49
2017-10-25	S.S. Cash for Gold Inc	Settlement SET16955	2,240.68
2017-10-26	2337980 Ontario Inc.	Settlement SET16975	27,115.40
2017-10-26	2589913 Ontario Inc	Settlement SET16976	61,114.37
2017-10-26	8561648 Canada Inc	Settlement SET16982	32,973.32
2017-10-26	9710990 Canada Inc.	Settlement SET16974	46,178.38
2017-10-26	9747583 Canada Ltd	Settlement SET16987	83,620.16
2017-10-26	GTA Gold Refining Inc	Settlement SET16980	76,257.82
2017-10-26	S.S. Cash for Gold Inc	Settlement SET16977	3,527.03
2017-10-27	8561648 Canada Inc	Settlement SET16990	39,546.34
2017-10-27	8561648 Canada Inc	Settlement SET17008	40,137.30
2017-10-27	92957216 Quebec Inc.	Settlement SET16999	52,655.20
2017-10-27	9776087 Canada Inc.	Settlement SET16992	34,112.52
2017-10-27	9982132 Canada Inc.	Settlement SET17004	40,753.96
2017-10-27	Asia Pacific International Inc.	Settlement SET16995	87,464.18
2017-10-27	9346-8460 Quebec Inc.	Settlement SET17006	53,353.72
2017-10-27	S.S. Cash for Gold Inc	Settlement SET16991	3,020.94
2017-10-27	SH Refining Ltd.	Settlement SET17010	13,533.39
2017-10-30	2337980 Ontario Inc.	Settlement SET17033	54,163.98
2017-10-30	2575720 Ontario Inc.	Settlement SET17036	13,216.35
2017-10-30	92957216 Quebec Inc.	Settlement SET17029	71,542.53
2017-10-30	9346-8460 Quebec Inc.	Settlement SET17040	68,522.48
2017-10-30	Elite Precious Metal Exchange Inc.	Settlement SET17016	40,752.14
2017-10-30	GTA Gold Refining Inc	Settlement SET17047	41,672.74
2017-10-30	M.A.C Precious Metal Refining Inc	Settlement SET17030	32,604.63
2017-10-30	S.S. Cash for Gold Inc	Settlement SET17019	2,463.89
2017-10-30	SH Refining Ltd.	Settlement SET17026	13,351.00
2017-10-31	2417916 Ontario Inc.	Settlement SET17048	97,408.80
2017-10-31	2474722 Ontario Inc.	Settlement SET17054	20,114.35
2017-10-31	2500028 Ontario Inc.	Settlement SET17053	19,841.88
2017-10-31	9982132 Canada Inc.	Settlement SET17049	40,283.49
2017-10-31	Fast Money Auction Inc.	Settlement SET17062	19,882.72
2017-10-31	GTA Gold Refining Inc	Settlement SET17057	67,136.00
2017-10-31	GTA Gold Refining Inc	Settlement SET17066	51,218.12
2017-10-31	S.S. Cash for Gold Inc	Settlement SET17050	7,412.99
Total for Period Ended 2017-10-31			\$ 6,255,352.47
2017-11-01	2589913 Ontario Inc	RCredit for SET17069	\$ (68,731.53)
2017-11-01	2589913 Ontario Inc	Settlement SET17069	68,731.53
2017-11-01	2589913 Ontario Inc	Settlement SET17070	68,862.67
2017-11-01	92957216 Quebec Inc.	Settlement SET17073	68,368.43
2017-11-01	9747583 Canada Ltd	Settlement SET17080	99,793.33
2017-11-01	9346-8460 Quebec Inc.	Settlement SET17078	46,850.45
2017-11-01	Fast Money Auction Inc.	Settlement SET17077	20,008.04
2017-11-02	2466778 Ontario Inc	Settlement SET17098	61,220.55
2017-11-02	8561648 Canada Inc	Settlement SET17095	46,488.76
2017-11-02	Elite Precious Metal Exchange Inc.	Settlement SET17084	41,002.91
2017-11-02	Fast Money Auction Inc.	Settlement SET17089	33,173.27
2017-11-02	Fast Money Auction Inc.	Settlement SET17097	19,892.34
2017-11-02	S.S. Cash for Gold Inc	Settlement SET17083	7,892.82
2017-11-03	8561648 Canada Inc	Settlement SET17112	28,890.20
2017-11-03	92957216 Quebec Inc.	Settlement SET17113	45,829.55
2017-11-03	9747583 Canada Ltd	Settlement SET17108	59,080.84
2017-11-03	9776087 Canada Inc.	Settlement SET17104	40,987.99
2017-11-03	9346-8460 Quebec Inc.	Settlement SET17109	32,570.07
2017-11-03	Elite Precious Metal Exchange Inc.	Settlement SET17105	40,344.47
2017-11-03	S.S. Cash for Gold Inc	Settlement SET17102	6,206.59
2017-11-03	S.S. Cash for Gold Inc	Settlement SET17106	13,211.25
2017-11-06	2337980 Ontario Inc.	Settlement SET17129	68,224.23
2017-11-06	9348417 CANADA INC	Settlement SET17128	68,020.09
2017-11-06	Fast Money Auction Inc.	Settlement SET17117	40,041.95
2017-11-06	S.S. Cash for Gold Inc	Settlement SET17116	10,647.39
2017-11-07	92957216 Quebec Inc.	Settlement SET17145	38,923.82

Posting Date	Vendor Name	Description	ITC Denied
2017-11-07	9747583 Canada Ltd	Settlement SET17143	59,729.02
2017-11-07	9982132 Canada Inc.	Settlement SET17138	40,000.23
2017-11-07	9346-8460 Quebec Inc.	Settlement SET17150	46,577.08
2017-11-07	Pasricha Inc.	Settlement SET17140	33,178.34
2017-11-07	S.S. Cash for Gold Inc	Settlement SET17137	5,827.38
2017-11-08	2466778 Ontario Inc	Settlement SET17157	47,867.88
2017-11-08	2474722 Ontario Inc.	Settlement SET17162	27,432.21
2017-11-08	2500028 Ontario Inc.	Settlement SET17161	27,082.38
2017-11-08	8561648 Canada Inc	Settlement SET17155	46,263.87
2017-11-08	8561648 Canada Inc	Settlement SET17169	46,414.56
2017-11-08	9747583 Canada Ltd	Settlement SET17166	39,750.75
2017-11-08	Best Price 4 Gold Inc.	Settlement SET17165	32,938.44
2017-11-08	GTA Gold Refining Inc	Settlement SET17167	9,468.59
2017-11-08	S.S. Cash for Gold Inc	Settlement SET17154	7,747.22
2017-11-09	2576393 Ontario Inc.	Settlement SET17184	95,408.19
2017-11-09	9747583 Canada Ltd	Settlement SET17179	47,609.92
2017-11-09	9776087 Canada Inc.	Settlement SET17172	33,031.70
2017-11-09	9346-8460 Quebec Inc.	Settlement SET17180	52,883.61
2017-11-09	Elite Precious Metal Exchange Inc.	Settlement SET17174	40,064.55
2017-11-09	Pasricha Inc.	Settlement SET17182	26,541.32
2017-11-09	S.S. Cash for Gold Inc	Settlement SET17170	2,918.76
2017-11-09	S.S. Cash for Gold Inc	Settlement SET17171	175.50
2017-11-09	S.S. Cash for Gold Inc	Settlement SET17173	3,099.20
2017-11-10	2474722 Ontario Inc.	Settlement SET17194	39,910.36
2017-11-10	2500028 Ontario Inc.	Settlement SET17195	33,181.38
2017-11-10	S.S. Cash for Gold Inc	Settlement SET17187	3,326.83
2017-11-13	2337980 Ontario Inc.	Settlement SET17205	74,369.51
2017-11-13	92957216 Quebec Inc.	Settlement SET17211	52,942.76
2017-11-13	9982132 Canada Inc.	Settlement SET17202	39,838.11
2017-11-13	9346-8460 Quebec Inc.	Settlement SET17221	52,301.47
2017-11-13	M.A.C Precious Metal Refining Inc	Settlement SET17219	33,142.07
2017-11-13	S.S. Cash for Gold Inc	Settlement SET17201	3,061.37
2017-11-14	2576393 Ontario Inc.	Settlement SET17237	68,226.68
2017-11-14	2589913 Ontario Inc	Settlement SET17224	67,444.50
2017-11-14	8561648 Canada Inc	Settlement SET17235	46,808.19
2017-11-14	8561648 Canada Inc	Settlement SET17242	46,139.87
2017-11-14	Pasricha Inc.	Settlement SET17239	6,675.50
2017-11-14	S.S. Cash for Gold Inc	Settlement SET17223	2,401.10
2017-11-15	2474722 Ontario Inc.	Settlement SET17257	33,380.46
2017-11-15	2500028 Ontario Inc.	Settlement SET17255	33,217.95
2017-11-15	3526763 Canada Ltd	Settlement SET17256	6,762.60
2017-11-15	8561648 Canada Inc	Settlement SET17260	46,552.75
2017-11-15	92957216 Quebec Inc.	Settlement SET17253	64,703.60
2017-11-15	9747583 Canada Ltd	Settlement SET17259	65,698.10
2017-11-15	9776087 Canada Inc.	Settlement SET17248	30,607.72
2017-11-15	9346-8460 Quebec Inc.	Settlement SET17262	59,462.65
2017-11-15	S.S. Cash for Gold Inc	Settlement SET17246	2,501.72
2017-11-16	2417916 Ontario Inc.	Settlement SET17269	40,842.78
2017-11-16	8561648 Canada Inc	Settlement SET17277	6,608.09
2017-11-16	9747583 Canada Ltd	Settlement SET17278	45,802.31
2017-11-16	2388905 Ontario Inc.	Settlement SET17279	5,856.89
2017-11-16	S.S. Cash for Gold Inc	Settlement SET17266	3,517.41
2017-11-17	92957216 Quebec Inc.	Settlement SET17288	53,836.90
2017-11-17	9747583 Canada Ltd	Settlement SET17298	94,408.86
2017-11-17	9776087 Canada Inc.	Settlement SET17287	12,086.36
2017-11-17	9346-8460 Quebec Inc.	Settlement SET17295	53,770.60
2017-11-17	S.S. Cash for Gold Inc	Settlement SET17282	3,601.91
2017-11-20	2337980 Ontario Inc.	Settlement SET17306	80,702.00
2017-11-20	2457041 Ontario Ltd.	Settlement SET17302	34,080.15
2017-11-20	2576393 Ontario Inc.	Settlement SET17318	95,280.50
2017-11-20	92957216 Quebec Inc.	Settlement SET17317	53,347.45
2017-11-20	9710990 Canada Inc.	Settlement SET17316	6,601.79
2017-11-20	9346-8460 Quebec Inc.	Settlement SET17309	53,391.65
2017-11-20	S.S. Cash for Gold Inc	Settlement SET17304	6,448.52
2017-11-21	2417916 Ontario Inc.	Settlement SET17322	88,057.59
2017-11-21	2474722 Ontario Inc.	Settlement SET17328	26,901.57
2017-11-21	2500028 Ontario Inc.	Settlement SET17329	19,935.58
2017-11-21	9710990 Canada Inc.	Settlement SET17320	6,704.49
2017-11-21	9710990 Canada Inc.	Settlement SET17323	6,669.91
2017-11-21	9747583 Canada Ltd	Settlement SET17337	105,412.97
2017-11-21	GTA Gold Refining Inc	Settlement SET17324	47,721.87
2017-11-21	M.A.C Precious Metal Refining Inc	Settlement SET17331	36,277.98
2017-11-22	8561648 Canada Inc	Settlement SET17344	6,729.06

Posting Date	Vendor Name	Description	ITC Denied
2017-11-22	92957216 Quebec Inc.	Settlement SET17360	52,898.68
2017-11-22	9747583 Canada Ltd	RCredit for SET17356	(85,521.80)
2017-11-22	9747583 Canada Ltd	Settlement SET17356	85,521.80
2017-11-22	9747583 Canada Ltd	Settlement SET17366	86,179.73
2017-11-22	9776087 Canada Inc.	Settlement SET17354	13,466.57
2017-11-22	9982132 Canada Inc.	Settlement SET17348	33,580.69
2017-11-22	2388905 Ontario Inc.	Settlement SET17365	3,820.44
2017-11-22	Banz Refining Inc.	Settlement SET17357	1,485.25
2017-11-22	9346-8460 Quebec Inc.	Settlement SET17355	53,090.05
2017-11-22	GTA Gold Refining Inc	Settlement SET17345	35,214.17
2017-11-22	GTA Gold Refining Inc	Settlement SET17346	33,071.78
2017-11-22	GTA Gold Refining Inc	Settlement SET17364	45,946.39
2017-11-22	Pasricha Inc.	Settlement SET17353	13,395.46
2017-11-22	S.S. Cash for Gold Inc	Settlement SET17350	4,068.74
2017-11-23	2474722 Ontario Inc.	Settlement SET17376	33,584.20
2017-11-23	2500028 Ontario Inc.	Settlement SET17378	20,209.15
2017-11-23	2575720 Ontario Inc.	Settlement SET17381	26,573.04
2017-11-23	8561648 Canada Inc	Settlement SET17372	6,694.48
2017-11-23	8561648 Canada Inc	Settlement SET17380	6,740.37
2017-11-23	Elite Precious Metal Exchange Inc.	Settlement SET17367	34,370.83
2017-11-23	S.S. Cash for Gold Inc	Settlement SET17368	3,456.70
2017-11-24	2417916 Ontario Inc.	Settlement SET17398	43,516.88
2017-11-24	2417916 Ontario Inc.	Settlement SET17399	43,623.86
2017-11-24	2457041 Ontario Ltd.	Settlement SET17391	27,090.96
2017-11-24	2589913 Ontario Inc	Settlement SET17385	68,136.58
2017-11-24	8561648 Canada Inc	Settlement SET17384	6,693.96
2017-11-24	2388905 Ontario Inc.	Settlement SET17407	6,896.63
2017-11-24	Elite Precious Metal Exchange Inc.	Settlement SET17388	34,331.31
2017-11-24	S.S. Cash for Gold Inc	Settlement SET17387	3,980.08
2017-11-27	2337980 Ontario Inc.	Settlement SET17414	61,698.26
2017-11-27	92957216 Quebec Inc.	Settlement SET17416	26,710.19
2017-11-27	9776087 Canada Inc.	Settlement SET17418	36,979.80
2017-11-27	9982132 Canada Inc.	Settlement SET17409	33,571.59
2017-11-27	9346-8460 Quebec Inc.	Settlement SET17417	26,669.50
2017-11-27	Fast Money Auction Inc.	Settlement SET17422	13,416.78
2017-11-27	GTA Gold Refining Inc	Settlement SET17413	34,179.61
2017-11-27	S.S. Cash for Gold Inc	Settlement SET17411	5,698.55
2017-11-28	2417916 Ontario Inc.	Settlement SET17437	85,171.75
2017-11-28	2474722 Ontario Inc.	Settlement SET17430	38,099.62
2017-11-28	2500028 Ontario Inc.	Settlement SET17431	30,989.79
2017-11-28	2576393 Ontario Inc.	Settlement SET17442	83,659.03
2017-11-28	Elite Precious Metal Exchange Inc.	Settlement SET17429	34,519.42
2017-11-28	S.S. Cash for Gold Inc	Settlement SET17428	4,655.04
2017-11-29	Elite Precious Metal Exchange Inc.	Settlement SET17451	34,545.68
2017-11-29	GTA Gold Refining Inc	RCredit for SET17467	(42,544.30)
2017-11-29	GTA Gold Refining Inc	Settlement SET17467	42,544.30
2017-11-29	GTA Gold Refining Inc	Settlement SET17469	42,640.43
2017-11-30	2417916 Ontario Inc.	Settlement SET17470	102,116.30
2017-11-30	2457041 Ontario Ltd.	Settlement SET17471	34,346.39
2017-11-30	2474722 Ontario Inc.	Settlement SET17475	27,072.25
2017-11-30	2500028 Ontario Inc.	Settlement SET17474	33,772.16
2017-11-30	2575720 Ontario Inc.	Settlement SET17484	19,875.70
2017-11-30	92957216 Quebec Inc.	Settlement SET17478	20,111.00
2017-11-30	9346-8460 Quebec Inc.	Settlement SET17479	20,144.80
2017-11-30	GTA Gold Refining Inc	RCredit for SET17492	(62,051.21)
2017-11-30	GTA Gold Refining Inc	Settlement SET17492	62,051.21
2017-11-30	GTA Gold Refining Inc	Settlement SET17493	62,051.12
2017-11-30	M.A.C Precious Metal Refining Inc	Settlement SET17485	37,101.74
2017-11-30	Pasricha Inc.	Settlement SET17494	13,388.58
2017-11-30	S.S. Cash for Gold Inc	Settlement SET17472	8,067.41
Total for Period Ended 2017-11-30			\$ 5,399,164.62
2017-12-01	2337980 Ontario Inc.	Settlement SET17499	\$ 40,774.25
2017-12-01	2589913 Ontario Inc	Settlement SET17501	67,515.50
2017-12-01	9982132 Canada Inc.	Settlement SET17500	33,265.57
2017-12-01	S.S. Cash for Gold Inc	Settlement SET17502	12,335.96
2017-12-04	92957216 Quebec Inc.	Settlement SET17517	19,770.53
2017-12-04	9346-8460 Quebec Inc.	Settlement SET17518	19,821.74
2017-12-04	Elite Precious Metal Exchange Inc.	Settlement SET17529	40,553.50
2017-12-04	Fast Money Auction Inc.	Settlement SET17512	13,128.44
2017-12-04	S.S. Cash for Gold Inc	Settlement SET17513	10,949.77
2017-12-05	9989676 Canada Inc.	Settlement SET17539	46,889.05
2017-12-05	S.S. Cash for Gold Inc	Settlement SET17533	1,916.20

Posting Date	Vendor Name	Description	ITC Denied
2017-12-05	S.S. Cash for Gold Inc	Settlement SET17536	3,621.28
2017-12-06	2337980 Ontario Inc.	Settlement SET17547	46,712.33
2017-12-06	2474722 Ontario Inc.	Settlement SET17553	33,652.32
2017-12-06	2500028 Ontario Inc.	Settlement SET17554	19,744.01
2017-12-06	8561648 Canada Inc	Settlement SET17555	6,536.79
2017-12-06	92957216 Quebec Inc.	Settlement SET17558	39,537.29
2017-12-06	9747583 Canada Ltd	Settlement SET17564	32,270.97
2017-12-06	9776087 Canada Inc.	Settlement SET17552	32,643.26
2017-12-06	9346-8460 Quebec Inc.	Settlement SET17559	39,611.65
2017-12-06	Elite Precious Metal Exchange Inc.	Settlement SET17551	53,414.14
2017-12-06	S.S. Cash for Gold Inc	Settlement SET17550	4,322.50
2017-12-07	2417916 Ontario Inc.	Settlement SET17572	93,573.85
2017-12-07	2457041 Ontario Ltd.	Settlement SET17571	26,758.42
2017-12-07	9747583 Canada Ltd	Settlement SET17574	32,467.75
2017-12-07	Elite Precious Metal Exchange Inc.	Settlement SET17568	53,802.19
2017-12-07	S.S. Cash for Gold Inc	Settlement SET17569	6,021.73
2017-12-08	92957216 Quebec Inc.	Settlement SET17586	39,196.56
2017-12-08	9747583 Canada Ltd	Settlement SET17585	32,378.06
2017-12-08	9346-8460 Quebec Inc.	Settlement SET17587	38,838.54
2017-12-08	Fast Money Auction Inc.	Settlement SET17583	6,450.08
2017-12-08	Galaxy Precious Metals Corp.	Settlement SET17588	13,424.84
2017-12-08	M.A.C Precious Metal Refining Inc	Settlement SET17589	13,431.34
2017-12-08	9989676 Canada Inc.	Settlement SET17580	14,532.26
2017-12-08	9989676 Canada Inc.	Settlement SET17581	39,211.21
2017-12-08	S.S. Cash for Gold Inc	Settlement SET17578	7,034.17
2017-12-11	2337980 Ontario Inc.	Settlement SET17612	54,236.03
2017-12-11	2417916 Ontario Inc.	Settlement SET17597	66,541.80
2017-12-11	2474722 Ontario Inc.	Settlement SET17610	32,808.49
2017-12-11	2500028 Ontario Inc.	Settlement SET17611	26,237.64
2017-12-11	92957216 Quebec Inc.	Settlement SET17606	38,785.37
2017-12-11	9982132 Canada Inc.	Settlement SET17602	52,393.12
2017-12-11	Asia Pacific International Inc.	Settlement SET17599	91,601.49
2017-12-11	9346-8460 Quebec Inc.	Settlement SET17607	38,299.56
2017-12-11	S.S. Cash for Gold Inc	Settlement SET17600	621.40
2017-12-12	2466778 Ontario Inc	Settlement SET17625	52,918.27
2017-12-12	8561648 Canada Inc	Settlement SET17628	6,565.00
2017-12-12	9776087 Canada Inc.	Settlement SET17627	41,994.42
2017-12-12	9982132 Canada Inc.	Settlement SET17623	32,708.91
2017-12-12	S.S. Cash for Gold Inc	Settlement SET17621	5,792.93
2017-12-13	8561648 Canada Inc	Settlement SET17633	13,091.39
2017-12-13	8561648 Canada Inc	Settlement SET17645	26,186.03
2017-12-13	Elite Precious Metal Exchange Inc.	Settlement SET17632	53,461.85
2017-12-13	S.S. Cash for Gold Inc	Settlement SET17630	4,287.27
2017-12-14	2457041 Ontario Ltd.	Settlement SET17652	33,357.09
2017-12-14	2474722 Ontario Inc.	Settlement SET17661	39,517.40
2017-12-14	2500028 Ontario Inc.	Settlement SET17660	32,871.41
2017-12-14	8561648 Canada Inc	Settlement SET17657	32,824.22
2017-12-14	92957216 Quebec Inc.	Settlement SET17663	38,825.15
2017-12-14	9346-8460 Quebec Inc.	Settlement SET17662	32,648.59
2017-12-14	M.A.C Precious Metal Refining Inc	Settlement SET17670	20,960.68
2017-12-14	S.S. Cash for Gold Inc	Settlement SET17656	5,495.23
2017-12-15	2575720 Ontario Inc.	Settlement SET17680	26,107.90
2017-12-15	8561648 Canada Inc	Settlement SET17672	13,085.54
2017-12-15	8561648 Canada Inc	Settlement SET17673	13,169.65
2017-12-15	9776087 Canada Inc.	Settlement SET17679	13,261.95
2017-12-15	S.S. Cash for Gold Inc	Settlement SET17671	4,486.04
2017-12-18	2337980 Ontario Inc.	Settlement SET17689	39,587.37
2017-12-18	8561648 Canada Inc	Settlement SET17688	19,909.11
2017-12-18	92957216 Quebec Inc.	Settlement SET17692	33,168.07
2017-12-18	9982132 Canada Inc.	Settlement SET17686	33,219.81
2017-12-18	9346-8460 Quebec Inc.	Settlement SET17694	32,931.60
2017-12-18	Galaxy Precious Metals Corp.	Settlement SET17696	6,794.45
2017-12-18	M.A.C Precious Metal Refining Inc	Settlement SET17698	27,005.55
2017-12-18	S.S. Cash for Gold Inc	Settlement SET17690	7,654.27
2017-12-19	9348417 CANADA INC	Settlement SET17725	34,389.55
2017-12-19	9776087 Canada Inc.	Settlement SET17716	49,380.37
2017-12-19	Elite Precious Metal Exchange Inc.	Settlement SET17712	39,414.70
2017-12-19	GTA Gold Refining Inc	Settlement SET17724	26,998.73
2017-12-19	Pasricha Inc.	Settlement SET17723	33,012.20
2017-12-19	S.S. Cash for Gold Inc	Settlement SET17708	4,902.04
2017-12-19	SH Refining Ltd.	Settlement SET17721	13,213.98
2017-12-20	2457041 Ontario Ltd.	Settlement SET17733	40,729.65
2017-12-20	2474722 Ontario Inc.	Settlement SET17746	33,052.63

Posting Date	Vendor Name	Description	ITC Denied
2017-12-20	2500028 Ontario Inc.	Settlement SET17747	34,222.76
2017-12-20	8561648 Canada Inc	Settlement SET17753	19,911.71
2017-12-20	92957216 Quebec Inc.	Settlement SET17743	33,016.75
2017-12-20	9346-8460 Quebec Inc.	Settlement SET17745	32,838.78
2017-12-20	GTA Gold Refining Inc	Settlement SET17755	40,687.00
2017-12-20	GTA Gold Refining Inc	Settlement SET17756	14,259.59
2017-12-20	9989676 Canada Inc.	Settlement SET17736	47,465.21
2017-12-20	Pasricha Inc.	Settlement SET17751	13,211.51
2017-12-20	S.S. Cash for Gold Inc	Settlement SET17734	4,566.90
2017-12-21	2474722 Ontario Inc.	Settlement SET17764	19,795.36
2017-12-21	2500028 Ontario Inc.	Settlement SET17763	33,021.43
2017-12-21	2575720 Ontario Inc.	Settlement SET17767	25,911.34
2017-12-21	9348417 CANADA INC	Settlement SET17765	33,480.72
2017-12-21	M.A.C Precious Metal Refining Inc	Settlement SET17766	33,211.62
2017-12-21	S.S. Cash for Gold Inc	Settlement SET17760	7,369.70
2017-12-22	9896643 Canada Inc.	Settlement SET17784	13,510.64
2017-12-22	9896643 Canada Inc.	Settlement SET17787	5,801.90
2017-12-22	Galaxy Precious Metals Corp.	Settlement SET17783	13,511.42
2017-12-22	GTA Gold Refining Inc	Settlement SET17791	67,284.92
2017-12-22	Pasricha Inc.	Settlement SET17778	13,178.36
2017-12-22	S.S. Cash for Gold Inc	Settlement SET17779	5,623.80
2017-12-22	SH Refining Ltd.	Settlement SET17786	13,265.07
Total for Period Ended 2017-12-31			\$ 2,981,760.44
2018-01-01	K.M.Q. Precious Metal Inc.	K.M.Q. Precious Metal In	\$ 14,610.70
2018-01-02	2337980 Ontario Inc.	Settlement SET17793	41,053.07
2018-01-02	2457041 Ontario Ltd.	Settlement SET17802	20,700.55
2018-01-02	9776087 Canada Inc.	Settlement SET17803	10,357.23
2018-01-02	S.S. Cash for Gold Inc	Settlement SET17794	6,019.39
2018-01-03	9346-8460 Quebec Inc.	Settlement SET17829	66,678.56
2018-01-03	Elite Precious Metal Exchange Inc.	Settlement SET17818	48,070.88
2018-01-03	Pasricha Inc.	Settlement SET17830	33,699.25
2018-01-03	S.S. Cash for Gold Inc	Settlement SET17819	6,373.25
2018-01-03	Sam Bijouterie Inc.	Settlement SET17832	66,718.47
2018-01-04	S.S. Cash for Gold Inc	Settlement SET17840	4,869.15
2018-01-05	2474722 Ontario Inc.	Settlement SET17853	20,147.53
2018-01-05	2500028 Ontario Inc.	Settlement SET17852	33,437.30
2018-01-05	9776087 Canada Inc.	Settlement SET17856	28,446.86
2018-01-05	9346-8460 Quebec Inc.	Settlement SET17866	60,063.77
2018-01-05	Elite Precious Metal Exchange Inc.	Settlement SET17865	47,737.04
2018-01-05	GTA Gold Refining Inc	Settlement SET17857	31,645.52
2018-01-05	S.S. Cash for Gold Inc	Settlement SET17850	3,619.20
2018-01-05	Sam Bijouterie Inc.	Settlement SET17864	60,055.32
2018-01-08	2575720 Ontario Inc.	Settlement SET17887	19,684.86
2018-01-08	9346-8460 Quebec Inc.	Settlement SET17886	59,654.54
2018-01-08	S.S. Cash for Gold Inc	Settlement SET17873	4,506.71
2018-01-08	Sam Bijouterie Inc.	RCredit for SET17883	(60,077.03)
2018-01-08	Sam Bijouterie Inc.	Settlement SET17883	60,077.03
2018-01-08	Sam Bijouterie Inc.	Settlement SET17884	59,564.14
2018-01-09	2457041 Ontario Ltd.	Settlement SET17892	27,150.50
2018-01-09	2474722 Ontario Inc.	Settlement SET17899	40,311.05
2018-01-09	2500028 Ontario Inc.	Settlement SET17898	33,641.66
2018-01-09	8561648 Canada Inc	Settlement SET17910	13,275.60
2018-01-09	8561648 Canada Inc	Settlement SET17913	13,368.29
2018-01-09	9896643 Canada Inc.	Settlement SET17902	13,524.03
2018-01-09	Elite Precious Metal Exchange Inc.	Settlement SET17901	47,778.51
2018-01-09	Galaxy Precious Metals Corp.	Settlement SET17900	13,508.56
2018-01-09	S.S. Cash for Gold Inc	Settlement SET17895	21,498.10
2018-01-10	2474722 Ontario Inc.	Settlement SET17920	26,975.39
2018-01-10	2500028 Ontario Inc.	Settlement SET17919	33,771.79
2018-01-10	8561648 Canada Inc	Settlement SET17924	20,718.62
2018-01-10	92957216 Quebec Inc.	Settlement SET17921	19,835.14
2018-01-10	9348417 CANADA INC	Settlement SET17927	34,860.67
2018-01-10	9982132 Canada Inc.	Settlement SET17916	60,672.04
2018-01-10	9346-8460 Quebec Inc.	Settlement SET17928	60,342.88
2018-01-10	S.S. Cash for Gold Inc	Settlement SET17917	9,476.09
2018-01-10	Sam Bijouterie Inc.	Settlement SET17926	59,606.56
2018-01-11	8561648 Canada Inc	Settlement SET17942	46,040.28
2018-01-11	8561648 Canada Inc	Settlement SET17948	14,146.08
2018-01-11	Elite Precious Metal Exchange Inc.	Settlement SET17935	55,247.53
2018-01-11	S.S. Cash for Gold Inc	Settlement SET17936	9,448.27
2018-01-12	8561648 Canada Inc	Settlement SET17958	34,876.14
2018-01-12	9747583 Canada Ltd	Settlement SET17952	33,679.36

Posting Date	Vendor Name	Description	ITC Denied
2018-01-12	9776087 Canada Inc.	Settlement SET17956	30,973.54
2018-01-12	9982132 Canada Inc.	Settlement SET17953	40,558.96
2018-01-12	9346-8460 Quebec Inc.	Settlement SET17961	61,117.55
2018-01-12	GTA Gold Refining Inc	Settlement SET17955	18,899.84
2018-01-12	S.S. Cash for Gold Inc	Settlement SET17954	7,410.91
2018-01-12	Sam Bijouterie Inc.	Settlement SET17960	54,336.36
2018-01-15	2337980 Ontario Inc.	Settlement SET17972	55,563.37
2018-01-15	2474722 Ontario Inc.	Settlement SET17977	34,189.35
2018-01-15	2500028 Ontario Inc.	Settlement SET17978	27,314.56
2018-01-15	92957216 Quebec Inc.	Settlement SET17976	20,490.08
2018-01-15	9896643 Canada Inc.	Settlement SET17973	13,775.06
2018-01-15	9346-8460 Quebec Inc.	Settlement SET17975	67,870.66
2018-01-15	Galaxy Precious Metals Corp.	Settlement SET17974	19,152.90
2018-01-15	S.S. Cash for Gold Inc	Settlement SET17969	2,365.48
2018-01-15	Sam Bijouterie Inc.	Settlement SET17979	66,964.30
2018-01-16	2615041 Ontario Inc.	Settlement SET18001	70,554.02
2018-01-16	8561648 Canada Inc	Settlement SET17999	41,601.95
2018-01-16	Elite Precious Metal Exchange Inc.	Settlement SET17989	41,462.33
2018-01-16	S.S. Cash for Gold Inc	Settlement SET17988	3,289.26
2018-01-17	2474722 Ontario Inc.	Settlement SET18010	34,083.59
2018-01-17	2500028 Ontario Inc.	Settlement SET18011	40,951.91
2018-01-17	8561648 Canada Inc	Settlement SET18020	27,726.66
2018-01-17	8561648 Canada Inc	Settlement SET18031	20,665.84
2018-01-17	92957216 Quebec Inc.	Settlement SET18018	40,641.77
2018-01-17	9747583 Canada Ltd	Settlement SET18022	33,521.02
2018-01-17	9982132 Canada Inc.	Settlement SET18005	40,997.97
2018-01-17	2388905 Ontario Inc.	Settlement SET18033	10,593.57
2018-01-17	9346-8460 Quebec Inc.	Settlement SET18017	60,731.32
2018-01-17	Bijouterie Yakona Inc	RCredit for SET18019	(53,397.50)
2018-01-17	Bijouterie Yakona Inc	Settlement SET18019	53,397.50
2018-01-17	Bijouterie Yakona Inc	Settlement SET18021	66,757.60
2018-01-18	8561648 Canada Inc	Settlement SET18041	35,054.67
2018-01-18	8561648 Canada Inc	Settlement SET18051	20,220.49
2018-01-18	9747583 Canada Ltd	Settlement SET18042	40,187.03
2018-01-18	S.S. Cash for Gold Inc	Settlement SET18036	3,153.28
2018-01-19	2575720 Ontario Inc.	Settlement SET18061	16,664.83
2018-01-19	92957216 Quebec Inc.	Settlement SET18064	40,558.05
2018-01-19	9747583 Canada Ltd	Settlement SET18055	33,493.85
2018-01-19	9776087 Canada Inc.	Settlement SET18059	42,065.40
2018-01-19	9982132 Canada Inc.	Settlement SET18053	47,491.63
2018-01-19	9346-8460 Quebec Inc.	Settlement SET18065	67,095.47
2018-01-19	Bijouterie Yakona Inc	Settlement SET18058	60,988.40
2018-01-19	S.S. Cash for Gold Inc	Settlement SET18054	4,716.79
2018-01-19	Sam Bijouterie Inc.	Settlement SET18060	61,018.01
2018-01-22	2337980 Ontario Inc.	Settlement SET18072	61,983.61
2018-01-22	92957216 Quebec Inc.	Settlement SET18077	40,108.89
2018-01-22	9346-8460 Quebec Inc.	Settlement SET18076	73,455.47
2018-01-22	GTA Gold Refining Inc	Settlement SET18070	18,185.02
2018-01-22	9989676 Canada Inc.	Settlement SET18088	48,488.57
2018-01-22	S.S. Cash for Gold Inc	Settlement SET18069	6,975.80
2018-01-23	2457041 Ontario Ltd.	Settlement SET18091	20,754.76
2018-01-23	8561648 Canada Inc	Settlement SET18102	27,938.82
2018-01-23	8561648 Canada Inc	Settlement SET18107	13,901.29
2018-01-23	Ohannes Khatchirian	Settlement SET18100	3,003.00
2018-01-23	Ohannes Khatchirian	Invoice 111159	3,643.25
2018-01-23	S.S. Cash for Gold Inc	Settlement SET18092	4,982.25
2018-01-24	2615041 Ontario Inc.	Settlement SET18132	90,444.69
2018-01-24	8561648 Canada Inc	Settlement SET18113	14,083.76
2018-01-24	8561648 Canada Inc	Settlement SET18124	42,267.57
2018-01-24	92957216 Quebec Inc.	Settlement SET18119	20,418.97
2018-01-24	9747583 Canada Ltd	Settlement SET18121	40,566.76
2018-01-24	9776087 Canada Inc.	Settlement SET18125	14,627.21
2018-01-24	9346-8460 Quebec Inc.	Settlement SET18120	33,560.41
2018-01-24	Bijouterie Yakona Inc	Settlement SET18122	61,450.35
2018-01-24	9989676 Canada Inc.	Settlement SET18115	41,731.43
2018-01-24	S.S. Cash for Gold Inc	Settlement SET18116	5,791.24
2018-01-24	Sam Bijouterie Inc.	Settlement SET18123	61,262.37
2018-01-25	8561648 Canada Inc	Settlement SET18143	27,510.76
2018-01-25	9747583 Canada Ltd	Settlement SET18144	40,808.95
2018-01-25	2388905 Ontario Inc.	Settlement SET18145	11,099.92
2018-01-25	GTA Gold Refining Inc	Settlement SET18146	33,670.53
2018-01-25	S.S. Cash for Gold Inc	Settlement SET18135	7,495.28
2018-01-25	Talus Gold Inc.	Settlement SET18149	20,214.87

Posting Date	Vendor Name	Description	ITC Denied
2018-01-26	2417916 Ontario Inc.	Settlement SET18156	68,811.24
2018-01-26	2575720 Ontario Inc.	Settlement SET18154	13,637.65
2018-01-26	92957216 Quebec Inc.	Settlement SET18158	40,762.67
2018-01-26	9346-8460 Quebec Inc.	Settlement SET18159	60,582.17
2018-01-26	Bijouterie Yakona Inc	Settlement SET18153	120,633.37
2018-01-26	S.S. Cash for Gold Inc	Settlement SET18152	8,080.67
2018-01-29	2337980 Ontario Inc.	RCredit for SET18172	(54,685.30)
2018-01-29	2337980 Ontario Inc.	Settlement SET18172	54,685.30
2018-01-29	2337980 Ontario Inc.	Settlement SET18182	55,205.15
2018-01-29	2457041 Ontario Ltd.	Settlement SET18174	30,206.80
2018-01-29	2466778 Ontario Inc	Settlement SET18167	48,237.12
2018-01-29	2615041 Ontario Inc.	Settlement SET18188	97,069.76
2018-01-29	92957216 Quebec Inc.	Settlement SET18175	40,520.74
2018-01-29	9896643 Canada Inc.	Settlement SET18177	15,943.97
2018-01-29	9346-8460 Quebec Inc.	Settlement SET18181	53,415.11
2018-01-29	Bijouterie Yakona Inc	Settlement SET18186	47,274.50
2018-01-29	Galaxy Precious Metals Corp.	Settlement SET18178	17,209.73
2018-01-29	S.S. Cash for Gold Inc	Settlement SET18169	10,193.56
2018-01-30	2473927 Ontario Inc	Settlement SET18209	6,868.68
2018-01-30	2575720 Ontario Inc.	Settlement SET18210	13,344.76
2018-01-30	8561648 Canada Inc	Settlement SET18196	14,035.58
2018-01-30	8561648 Canada Inc	Settlement SET18208	27,340.95
2018-01-30	9776087 Canada Inc.	Settlement SET18205	35,117.68
2018-01-30	Fast Money Auction Inc.	Settlement SET18206	20,147.40
2018-01-30	Fast Money Auction Inc.	Settlement SET18215	20,179.25
2018-01-30	S.S. Cash for Gold Inc	Settlement SET18198	9,727.90
2018-01-31	8561648 Canada Inc	Settlement SET18228	27,540.24
2018-01-31	92957216 Quebec Inc.	Settlement SET18225	40,342.12
2018-01-31	9747583 Canada Ltd	Settlement SET18234	46,993.96
2018-01-31	9839143 Canada Inc.	Settlement SET18237	32,302.14
2018-01-31	9346-8460 Quebec Inc.	Settlement SET18227	66,223.56
2018-01-31	Bijouterie Yakona Inc	Settlement SET18226	112,547.89
2018-01-31	Fast Money Auction Inc.	Settlement SET18232	13,389.74
2018-01-31	9989676 Canada Inc.	Settlement SET18224	54,986.49
2018-01-31	S.S. Cash for Gold Inc	Settlement SET18223	7,098.91
Total for Period Ended 2018-01-31			\$ 5,185,133.32
2018-02-01	2417916 Ontario Inc.	Settlement SET18243	\$ 68,526.61
2018-02-01	2466778 Ontario Inc	Settlement SET18241	54,717.67
2018-02-01	8561648 Canada Inc	Settlement SET18257	27,540.24
2018-02-01	9747583 Canada Ltd	Settlement SET18258	46,565.74
2018-02-01	9982132 Canada Inc.	Settlement SET18239	47,206.64
2018-02-01	Ohannes Khatchirian	Settlement SET18244	3,088.15
2018-02-01	S.S. Cash for Gold Inc	Settlement SET18247	8,152.56
2018-02-02	92957216 Quebec Inc.	Settlement SET18271	40,227.20
2018-02-02	9747583 Canada Ltd	Settlement SET18270	20,079.80
2018-02-02	9776087 Canada Inc.	Settlement SET18272	38,433.72
2018-02-02	9346-8460 Quebec Inc.	Settlement SET18273	60,641.10
2018-02-02	Elite Precious Metal Exchange Inc.	Settlement SET18283	47,896.38
2018-02-02	S.S. Cash for Gold Inc	Settlement SET18266	9,995.83
2018-02-02	Sam Bijouterie Inc.	Settlement SET18269	53,744.47
2018-02-05	2337980 Ontario Inc.	Settlement SET18290	49,408.24
2018-02-05	2457041 Ontario Ltd.	Settlement SET18288	29,316.43
2018-02-05	92957216 Quebec Inc.	Settlement SET18294	40,720.68
2018-02-05	9346-8460 Quebec Inc.	Settlement SET18295	68,027.83
2018-02-05	S.S. Cash for Gold Inc	Settlement SET18287	21,796.58
2018-02-05	Sam Bijouterie Inc.	Settlement SET18291	54,313.35
2018-02-06	2417916 Ontario Inc.	Settlement SET18314	48,174.74
2018-02-06	8561648 Canada Inc	Settlement SET18318	55,716.83
2018-02-06	9747583 Canada Ltd	Settlement SET18319	46,943.39
2018-02-06	9982132 Canada Inc.	Settlement SET18306	54,654.21
2018-02-06	Elite Precious Metal Exchange Inc.	Settlement SET18332	54,965.43
2018-02-06	Fast Money Auction Inc.	Settlement SET18330	20,203.82
2018-02-06	S.S. Cash for Gold Inc	Settlement SET18310	9,704.24
2018-02-07	8561648 Canada Inc	Settlement SET18347	48,184.64
2018-02-07	92957216 Quebec Inc.	Settlement SET18345	53,881.48
2018-02-07	9346-8460 Quebec Inc.	Settlement SET18348	80,805.47
2018-02-07	Elite Precious Metal Exchange Inc.	Settlement SET18346	61,680.70
2018-02-07	GTA Gold Refining Inc	Settlement SET18342	17,700.73
2018-02-07	Pasricha Inc.	Settlement SET18341	20,182.76
2018-02-07	S.S. Cash for Gold Inc	Settlement SET18337	9,253.66
2018-02-07	Sam Bijouterie Inc.	Settlement SET18343	138,871.71
2018-02-08	2417916 Ontario Inc.	Settlement SET18355	42,386.50

Posting Date	Vendor Name	Description	ITC Denied
2018-02-08	8561648 Canada Inc	Settlement SET18374	55,598.40
2018-02-08	9747583 Canada Ltd	Settlement SET18370	47,067.80
2018-02-08	9776087 Canada Inc.	Settlement SET18358	50,095.89
2018-02-08	9982132 Canada Inc.	Settlement SET18367	61,041.63
2018-02-08	GTA Gold Refining Inc	Settlement SET18372	18,320.90
2018-02-08	Pasricha Inc.	Settlement SET18365	13,492.44
2018-02-08	S.S. Cash for Gold Inc	Settlement SET18353	6,810.44
2018-02-09	2466778 Ontario Inc	Settlement SET18376	55,446.30
2018-02-09	2575720 Ontario Inc.	Settlement SET18378	16,692.00
2018-02-09	92957216 Quebec Inc.	Settlement SET18383	27,073.15
2018-02-09	9747583 Canada Ltd	Settlement SET18377	33,407.40
2018-02-09	9346-8460 Quebec Inc.	Settlement SET18387	66,587.04
2018-02-09	Elite Precious Metal Exchange Inc.	Settlement SET18392	48,025.12
2018-02-09	Fast Money Auction Inc.	Settlement SET18384	20,083.31
2018-02-09	Ohannes Khatchirian	Settlement SET18380	10,526.88
2018-02-09	S.S. Cash for Gold Inc	Settlement SET18379	6,931.47
2018-02-09	Sam Bijouterie Inc.	Settlement SET18390	67,627.30
2018-02-12	2337980 Ontario Inc.	Settlement SET18396	41,179.45
2018-02-12	2457041 Ontario Ltd.	Settlement SET18393	34,479.90
2018-02-12	8561648 Canada Inc	Settlement SET18411	49,053.16
2018-02-12	92957216 Quebec Inc.	Settlement SET18401	54,478.97
2018-02-12	9896643 Canada Inc.	Settlement SET18413	16,089.58
2018-02-12	9982132 Canada Inc.	Settlement SET18407	41,095.60
2018-02-12	9839143 Canada Inc.	Settlement SET18412	15,979.99
2018-02-12	9346-8460 Quebec Inc.	Settlement SET18402	68,099.85
2018-02-12	Bijouterie Yakona Inc	Settlement SET18400	134,590.69
2018-02-12	S.S. Cash for Gold Inc	Settlement SET18397	10,431.85
2018-02-13	2474722 Ontario Inc.	Settlement SET18427	34,714.29
2018-02-13	2500028 Ontario Inc.	Settlement SET18426	41,766.27
2018-02-13	9710990 Canada Inc.	Settlement SET18417	34,799.05
2018-02-13	9747583 Canada Ltd	Settlement SET18422	60,751.86
2018-02-13	Pasricha Inc.	Settlement SET18430	20,243.60
2018-02-13	S.S. Cash for Gold Inc	Settlement SET18419	10,417.29
2018-02-14	8561648 Canada Inc	Settlement SET18433	21,318.44
2018-02-14	8561648 Canada Inc	Settlement SET18452	28,208.96
2018-02-14	92957216 Quebec Inc.	Settlement SET18443	34,496.93
2018-02-14	9710990 Canada Inc.	Settlement SET18450	56,739.15
2018-02-14	9747583 Canada Ltd	Settlement SET18447	47,844.42
2018-02-14	9346-8460 Quebec Inc.	Settlement SET18445	81,792.75
2018-02-14	Bijouterie Yakona Inc	Settlement SET18449	61,370.79
2018-02-14	Elite Precious Metal Exchange Inc.	Settlement SET18460	42,261.70
2018-02-14	Galaxy Precious Metals Corp.	Settlement SET18436	14,038.31
2018-02-14	Ohannes Khatchirian	Settlement SET18440	11,049.35
2018-02-14	M.A.C Precious Metal Refining Inc	Settlement SET18439	16,831.88
2018-02-14	9989676 Canada Inc.	Settlement SET18437	56,156.23
2018-02-14	S.S. Cash for Gold Inc	Settlement SET18432	8,141.77
2018-02-15	2615041 Ontario Inc.	Settlement SET18489	97,962.54
2018-02-15	9710990 Canada Inc.	Settlement SET18465	56,307.68
2018-02-15	Bijouterie Yakona Inc	Settlement SET18479	69,864.60
2018-02-15	Bijouterie Yakona Inc	Settlement SET18480	53,439.62
2018-02-15	9989676 Canada Inc.	Settlement SET18472	49,195.77
2018-02-16	2575720 Ontario Inc.	Settlement SET18503	15,251.08
2018-02-16	92957216 Quebec Inc.	Settlement SET18500	55,260.66
2018-02-16	9776087 Canada Inc.	Settlement SET18505	28,239.51
2018-02-16	9896643 Canada Inc.	Settlement SET18499	16,334.76
2018-02-16	9839143 Canada Inc.	Settlement SET18504	14,052.48
2018-02-16	9346-8460 Quebec Inc.	Settlement SET18502	89,151.92
2018-02-16	9989676 Canada Inc.	Settlement SET18497	70,335.85
2018-02-16	Pasricha Inc.	Settlement SET18494	13,682.63
2018-02-16	S.S. Cash for Gold Inc	Settlement SET18495	13,586.04
2018-02-16	SH Refining Ltd.	Settlement SET18507	20,657.39
2018-02-20	2457041 Ontario Ltd.	Settlement SET18518	23,745.02
2018-02-20	92957216 Quebec Inc.	Settlement SET18523	54,850.25
2018-02-20	9710990 Canada Inc.	Settlement SET18530	56,025.32
2018-02-20	9346-8460 Quebec Inc.	Settlement SET18525	89,175.71
2018-02-20	M.A.C Precious Metal Refining Inc	Settlement SET18527	16,132.09
2018-02-20	S.S. Cash for Gold Inc	Settlement SET18515	7,530.51
2018-02-20	Sam Bijouterie Inc.	Settlement SET18521	68,253.90
2018-02-21	2337980 Ontario Inc.	Settlement SET18538	69,146.61
2018-02-21	2615041 Ontario Inc.	Settlement SET18562	98,151.56
2018-02-21	92957216 Quebec Inc.	Settlement SET18546	54,873.00
2018-02-21	9324-5371 Quebec Inc	Settlement SET18553	40,364.87
2018-02-21	9710990 Canada Inc.	Settlement SET18540	49,114.39

Posting Date	Vendor Name	Description	ITC Denied
2018-02-21	9346-8460 Quebec Inc.	Settlement SET18549	88,940.15
2018-02-21	Bijouterie Yakona Inc	Settlement SET18551	60,882.38
2018-02-21	Ohannes Khatchirian	Settlement SET18550	12,505.87
2018-02-21	9989676 Canada Inc.	Settlement SET18545	28,149.03
2018-02-21	S.S. Cash for Gold Inc	Settlement SET18542	3,960.84
2018-02-21	Sam Bijouterie Inc.	Settlement SET18552	60,908.90
2018-02-21	SH Refining Ltd.	Settlement SET18539	20,294.17
2018-02-22	9982132 Canada Inc.	Settlement SET18570	63,026.86
2018-02-22	S.S. Cash for Gold Inc	Settlement SET18566	12,346.75
2018-02-22	SH Refining Ltd.	Settlement SET18567	20,581.86
2018-02-23	2474722 Ontario Inc.	Settlement SET18600	34,457.93
2018-02-23	2500028 Ontario Inc.	Settlement SET18601	27,581.84
2018-02-23	92957216 Quebec Inc.	Settlement SET18603	54,834.00
2018-02-23	9324-5371 Quebec Inc	Settlement SET18597	34,014.24
2018-02-23	9776087 Canada Inc.	Settlement SET18593	35,149.27
2018-02-23	9982132 Canada Inc.	Settlement SET18590	70,113.16
2018-02-23	9346-8460 Quebec Inc.	Settlement SET18599	87,823.71
2018-02-23	S.S. Cash for Gold Inc	Settlement SET18594	6,834.75
2018-02-23	Sam Bijouterie Inc.	Settlement SET18596	109,053.62
2018-02-23	SH Refining Ltd.	Settlement SET18606	20,536.36
2018-02-26	2337980 Ontario Inc.	Settlement SET18609	56,266.99
2018-02-26	2457041 Ontario Ltd.	Settlement SET18610	21,893.69
2018-02-26	8561648 Canada Inc	Settlement SET18626	28,719.60
2018-02-26	9324-5371 Quebec Inc	Settlement SET18625	34,073.00
2018-02-26	Bijouterie Yakona Inc	Settlement SET18624	54,928.64
2018-02-26	S.S. Cash for Gold Inc	Settlement SET18614	6,875.44
2018-02-26	SH Refining Ltd.	Settlement SET18619	19,898.32
2018-02-27	2474722 Ontario Inc.	Settlement SET18638	27,447.42
2018-02-27	2500028 Ontario Inc.	Settlement SET18637	27,486.42
2018-02-27	92957216 Quebec Inc.	Settlement SET18643	54,627.69
2018-02-27	9710990 Canada Inc.	Settlement SET18645	42,014.18
2018-02-27	9346-8460 Quebec Inc.	Settlement SET18644	75,136.62
2018-02-27	GTA Gold Refining Inc	Settlement SET18641	42,195.27
2018-02-27	S.S. Cash for Gold Inc	Settlement SET18634	8,275.02
2018-02-28	2575720 Ontario Inc.	Settlement SET18659	20,607.73
2018-02-28	8561648 Canada Inc	Settlement SET18662	28,180.36
2018-02-28	Bijouterie Yakona Inc	Settlement SET18664	54,939.56
2018-02-28	Fast Money Auction Inc.	Settlement SET18667	13,610.61
2018-02-28	Galaxy Precious Metals Corp.	Settlement SET18668	28,039.96
2018-02-28	Ohannes Khatchirian	Settlement SET18661	14,037.92
2018-02-28	S.S. Cash for Gold Inc	Settlement SET18655	9,307.61
2018-02-28	Sam Bijouterie Inc.	Settlement SET18675	21,592.61
2018-02-28	Sam Bijouterie Inc.	Settlement SET18673	53,162.07
Total for Period Ended 2018-02-28			\$ 6,192,957.26
2018-03-01	92957216 Quebec Inc.	Settlement SET18686	\$ 54,677.74
2018-03-01	9324-5371 Quebec Inc	Settlement SET18687	54,266.03
2018-03-01	9710990 Canada Inc.	Settlement SET18683	42,380.00
2018-03-01	9776087 Canada Inc.	Settlement SET18692	21,798.27
2018-03-01	2388905 Ontario Inc.	Settlement SET18693	12,693.85
2018-03-01	9346-8460 Quebec Inc.	Settlement SET18688	75,341.50
2018-03-01	S.S. Cash for Gold Inc	Settlement SET18684	13,297.57
2018-03-02	2457041 Ontario Ltd.	Settlement SET18697	34,614.84
2018-03-02	8561648 Canada Inc	Settlement SET18694	29,371.16
2018-03-02	Bijouterie Yakona Inc	Settlement SET18702	54,840.37
2018-03-02	S.S. Cash for Gold Inc	Settlement SET18701	20,572.50
2018-03-05	2337980 Ontario Inc.	Settlement SET18714	29,140.28
2018-03-05	2337980 Ontario Inc.	Settlement SET18716	34,873.28
2018-03-05	8561648 Canada Inc	Settlement SET18738	49,800.40
2018-03-05	9324-5371 Quebec Inc	Settlement SET18742	66,941.55
2018-03-05	9710990 Canada Inc.	Settlement SET18736	42,721.90
2018-03-05	9896643 Canada Inc.	Settlement SET18723	21,354.58
2018-03-05	9982132 Canada Inc.	Settlement SET18711	63,981.32
2018-03-05	Bijouterie Yakona Inc	Settlement SET18725	82,436.64
2018-03-05	Elite Precious Metal Exchange Inc.	Settlement SET18735	57,182.71
2018-03-05	Pastricha Inc.	Settlement SET18722	20,659.21
2018-03-05	S.S. Cash for Gold Inc	Settlement SET18718	16,041.87
2018-03-05	Sam Bijouterie Inc.	Settlement SET18727	68,627.39
2018-03-06	8561648 Canada Inc	Settlement SET18773	72,102.94
2018-03-06	92957216 Quebec Inc.	Settlement SET18757	56,099.94
2018-03-06	9710990 Canada Inc.	Settlement SET18748	71,626.10
2018-03-06	9346-8460 Quebec Inc.	Settlement SET18762	91,043.42
2018-03-06	Galaxy Precious Metals Corp.	Settlement SET18760	24,959.35

Posting Date	Vendor Name	Description	ITC Denied
2018-03-06	Pasricha Inc.	Settlement SET18772	48,705.93
2018-03-06	S.S. Cash for Gold Inc	Settlement SET18752	11,669.32
2018-03-07	9324-5371 Quebec Inc	Settlement SET18789	62,656.23
2018-03-07	9982132 Canada Inc.	Settlement SET18788	49,252.58
2018-03-07	Bijouterie Yakona Inc	Settlement SET18779	97,915.35
2018-03-07	S.S. Cash for Gold Inc	Settlement SET18777	13,827.06
2018-03-07	Sam Bijouterie Inc.	Settlement SET18783	97,413.42
2018-03-08	92957216 Quebec Inc.	Settlement SET18805	55,821.35
2018-03-08	9346-8460 Quebec Inc.	Settlement SET18807	138,290.88
2018-03-08	Elite Precious Metal Exchange Inc.	Settlement SET18802	49,832.51
2018-03-08	Ohannes Khatchirian	Settlement SET18804	15,444.65
2018-03-08	S.A. Rajgan Enterprises Corp.	Invoice I11493	36,199.54
2018-03-08	S.S. Cash for Gold Inc	Settlement SET18799	15,237.17
2018-03-09	2466778 Ontario Inc	Settlement SET18833	14,070.55
2018-03-09	2474722 Ontario Inc.	Settlement SET18832	28,507.57
2018-03-09	2500028 Ontario Inc.	Settlement SET18831	21,302.84
2018-03-09	2575720 Ontario Inc.	Settlement SET18842	13,704.86
2018-03-09	9324-5371 Quebec Inc	Settlement SET18834	67,559.18
2018-03-09	9776087 Canada Inc.	Settlement SET18838	43,016.22
2018-03-09	9839143 Canada Inc.	Settlement SET18839	21,356.53
2018-03-09	Bijouterie Yakona Inc	Settlement SET18837	91,767.00
2018-03-09	GoldBrex International Inc	Settlement SET18819	13,781.30
2018-03-09	S.S. Cash for Gold Inc	Settlement SET18823	15,443.09
2018-03-09	Sam Bijouterie Inc.	Settlement SET18835	97,782.49
2018-03-12	2457041 Ontario Ltd.	Settlement SET18848	28,235.09
2018-03-12	2474722 Ontario Inc.	Settlement SET18854	27,726.66
2018-03-12	2500028 Ontario Inc.	Settlement SET18853	13,843.44
2018-03-12	8561648 Canada Inc	Settlement SET18851	77,471.29
2018-03-12	92957216 Quebec Inc.	Settlement SET18852	55,196.96
2018-03-12	9896643 Canada Inc.	Settlement SET18857	26,375.96
2018-03-12	9982132 Canada Inc.	Settlement SET18850	55,349.71
2018-03-12	9346-8460 Quebec Inc.	Settlement SET18855	135,445.44
2018-03-12	Pasricha Inc.	Settlement SET18861	20,621.38
2018-03-13	2575720 Ontario Inc.	Settlement SET18885	35,679.28
2018-03-13	8561648 Canada Inc	Settlement SET18880	64,784.33
2018-03-13	9324-5371 Quebec Inc	Settlement SET18878	96,649.80
2018-03-13	9710990 Canada Inc.	Settlement SET18873	72,107.62
2018-03-13	Bijouterie Yakona Inc	Settlement SET18877	61,632.22
2018-03-13	Elite Precious Metal Exchange Inc.	Settlement SET18872	56,685.20
2018-03-13	Fast Money Auction Inc.	Settlement SET18884	27,846.91
2018-03-13	S.S. Cash for Gold Inc	Settlement SET18871	14,322.62
2018-03-13	Sam Bijouterie Inc.	Settlement SET18876	62,433.15
2018-03-14	2474722 Ontario Inc.	Settlement SET18891	28,070.77
2018-03-14	2500028 Ontario Inc.	Settlement SET18890	42,137.29
2018-03-14	92957216 Quebec Inc.	Settlement SET18898	55,273.40
2018-03-14	9346-8460 Quebec Inc.	Settlement SET18899	116,022.92
2018-03-14	Fast Money Auction Inc.	Settlement SET18901	27,789.58
2018-03-14	Ohannes Khatchirian	Settlement SET18895	7,943.13
2018-03-15	9710990 Canada Inc.	Settlement SET18916	65,859.69
2018-03-15	9839143 Canada Inc.	Settlement SET18915	17,791.15
2018-03-15	Bijouterie Yakona Inc	Settlement SET18910	97,073.47
2018-03-15	Fast Money Auction Inc.	Settlement SET18920	41,901.47
2018-03-15	Galaxy Precious Metals Corp.	Settlement SET18913	21,498.88
2018-03-15	9989676 Canada Inc.	Settlement SET18909	49,957.18
2018-03-15	S.S. Cash for Gold Inc	Settlement SET18906	8,255.26
2018-03-15	Sam Bijouterie Inc.	Settlement SET18912	83,269.94
2018-03-16	92957216 Quebec Inc.	Settlement SET18930	49,117.38
2018-03-16	9324-5371 Quebec Inc	Settlement SET18943	61,303.06
2018-03-16	9776087 Canada Inc.	Settlement SET18947	28,677.09
2018-03-16	9982132 Canada Inc.	Settlement SET18923	49,922.86
2018-03-16	9346-8460 Quebec Inc.	Settlement SET18931	83,148.52
2018-03-16	Elite Precious Metal Exchange Inc.	Settlement SET18940	57,180.63
2018-03-16	Pasricha Inc.	Settlement SET18944	41,980.38
2018-03-16	S.A. Rajgan Enterprises Corp.	Settlement SET19137	15,656.29
2018-03-16	S.S. Cash for Gold Inc	Settlement SET18925	18,519.67
2018-03-19	2337980 Ontario Inc.	Settlement SET18959	79,933.23
2018-03-19	92957216 Quebec Inc.	Settlement SET18950	48,978.15
2018-03-19	9346-8460 Quebec Inc.	Settlement SET18954	82,534.53
2018-03-19	Bijouterie Yakona Inc	Settlement SET18956	82,018.95
2018-03-19	GoldBrex International Inc	Settlement SET18958	1,596.53
2018-03-19	Pasricha Inc.	Settlement SET18966	42,109.08
2018-03-19	S.S. Cash for Gold Inc	RCredit for SET18951	(13,943.15)
2018-03-19	S.S. Cash for Gold Inc	Settlement SET18951	13,943.15

Posting Date	Vendor Name	Description	ITC Denied
2018-03-19	S.S. Cash for Gold Inc	Settlement SET18952	14,070.81
2018-03-19	Sam Bijouterie Inc.	Settlement SET18955	81,926.65
2018-03-20	2457041 Ontario Ltd.	Settlement SET18983	46,542.99
2018-03-20	2575720 Ontario Inc.	Settlement SET18992	27,770.73
2018-03-20	9324-5371 Quebec Inc	Settlement SET18976	94,338.79
2018-03-20	9982132 Canada Inc.	Settlement SET18978	55,978.65
2018-03-20	GoldBrex International Inc	Settlement SET18993	7,085.91
2018-03-20	GoldBrex International Inc	Settlement SET18994	6,989.45
2018-03-20	9989676 Canada Inc.	Settlement SET18989	56,938.31
2018-03-20	S.S. Cash for Gold Inc	Settlement SET18975	7,190.69
2018-03-21	92957216 Quebec Inc.	Settlement SET19002	48,952.15
2018-03-21	9839143 Canada Inc.	Settlement SET19015	35,618.05
2018-03-21	9346-8460 Quebec Inc.	Settlement SET19003	61,968.66
2018-03-21	Bijouterie Yakona Inc	Settlement SET19005	68,722.03
2018-03-21	Elite Precious Metal Exchange Inc.	Settlement SET18995	49,815.22
2018-03-21	Fast Money Auction Inc.	Settlement SET19000	20,991.23
2018-03-21	Fast Money Auction Inc.	Settlement SET19007	20,987.59
2018-03-21	GoldBrex International Inc	RCredit for SET19008	(230.75)
2018-03-21	GoldBrex International Inc	Settlement SET19006	7,159.23
2018-03-21	GoldBrex International Inc	Settlement SET19008	230.75
2018-03-21	GoldBrex International Inc	Settlement SET19010	99.71
2018-03-21	Sam Bijouterie Inc.	Settlement SET19004	61,824.62
2018-03-22	2474722 Ontario Inc.	Settlement SET19024	28,035.93
2018-03-22	2500028 Ontario Inc.	Settlement SET19023	36,119.59
2018-03-22	9324-5371 Quebec Inc	Settlement SET19027	54,736.76
2018-03-22	9710990 Canada Inc.	Settlement SET19017	7,406.62
2018-03-22	9776087 Canada Inc.	Settlement SET19034	41,639.39
2018-03-22	9896643 Canada Inc.	Settlement SET19033	21,372.00
2018-03-22	9982132 Canada Inc.	Settlement SET19019	42,837.86
2018-03-22	Fast Money Auction Inc.	Settlement SET19025	20,959.64
2018-03-22	Fast Money Auction Inc.	Settlement SET19038	20,853.04
2018-03-22	Galaxy Precious Metals Corp.	Settlement SET19036	14,292.85
2018-03-22	GoldBrex International Inc	Settlement SET19031	7,048.08
2018-03-22	9989676 Canada Inc.	Settlement SET19039	57,167.37
2018-03-22	S.S. Cash for Gold Inc	Settlement SET19016	7,000.89
2018-03-22	S.S. Cash for Gold Inc	Settlement SET19018	2,243.93
2018-03-22	SH Refining Ltd.	Settlement SET19037	6,985.81
2018-03-23	2417916 Ontario Inc.	Settlement SET19051	100,539.27
2018-03-23	9346-8460 Quebec Inc.	Settlement SET19050	82,725.76
2018-03-23	Fast Money Auction Inc.	Settlement SET19059	63,174.28
2018-03-23	GoldBrex International Inc	Settlement SET19044	7,248.67
2018-03-23	S.S. Cash for Gold Inc	Settlement SET19041	7,037.55
2018-03-23	S.S. Cash for Gold Inc	Settlement SET19043	2,552.03
2018-03-23	SH Refining Ltd.	Settlement SET19057	5,391.75
2018-03-26	2337980 Ontario Inc.	Settlement SET19067	72,577.05
2018-03-26	2474722 Ontario Inc.	Settlement SET19077	42,796.13
2018-03-26	2500028 Ontario Inc.	Settlement SET19076	28,552.81
2018-03-26	2575720 Ontario Inc.	Settlement SET19080	36,317.84
2018-03-26	Bijouterie Yakona Inc	Settlement SET19074	96,548.40
2018-03-26	Fast Money Auction Inc.	Settlement SET19075	21,240.57
2018-03-26	Fast Money Auction Inc.	Settlement SET19084	42,645.59
2018-03-26	Galaxy Precious Metals Corp.	Settlement SET19079	15,920.32
2018-03-26	GoldBrex International Inc	Settlement SET19066	858.78
2018-03-26	S.S. Cash for Gold Inc	Settlement SET19062	7,105.67
2018-03-26	S.S. Cash for Gold Inc	Settlement SET19064	3,647.41
2018-03-26	Sam Bijouterie Inc.	Settlement SET19072	96,551.00
2018-03-27	2466778 Ontario Inc	Settlement SET19092	71,509.62
2018-03-27	9324-5371 Quebec Inc	Settlement SET19101	67,907.84
2018-03-27	9346-8460 Quebec Inc.	Settlement SET19099	82,404.01
2018-03-27	S.A. Rajgan Enterprises Corp.	Settlement SET19095	33,867.73
2018-03-28	8561648 Canada Inc	Settlement SET19130	35,285.12
2018-03-28	92957216 Quebec Inc.	Settlement SET19121	27,907.23
2018-03-28	9710990 Canada Inc.	Settlement SET19111	21,073.52
2018-03-28	9710990 Canada Inc.	Settlement SET19120	20,966.79
2018-03-28	9776087 Canada Inc.	Settlement SET19126	21,512.27
2018-03-28	9346-8460 Quebec Inc.	Settlement SET19122	48,287.85
2018-03-28	Bijouterie Yakona Inc	Settlement SET19125	74,507.42
2018-03-28	Ohannes Khatchirian	Settlement SET19116	22,868.17
2018-03-28	S.A. Rajgan Enterprises Corp.	Settlement SET19133	37,616.93
2018-03-28	S.S. Cash for Gold Inc	Settlement SET19127	16,686.93
2018-03-28	Sam Bijouterie Inc.	Settlement SET19124	74,401.86
2018-03-29	2417916 Ontario Inc.	Settlement SET19161	77,813.58
2018-03-29	2417916 Ontario Inc.	Settlement SET19183	114,657.53

Posting Date	Vendor Name	Description	ITC Denied
2018-03-29	2466778 Ontario Inc	Settlement SET19162	35,798.23
2018-03-29	2575720 Ontario Inc.	Settlement SET19157	13,747.89
2018-03-29	8561648 Canada Inc	Settlement SET19144	20,836.40
2018-03-29	9324-5371 Quebec Inc	Settlement SET19147	74,817.86
2018-03-29	9710990 Canada Inc.	Settlement SET19140	34,783.06
2018-03-29	S.A. Rajgan Enterprises Corp.	Settlement SET19164	64,702.56
2018-03-29	S.S. Cash for Gold Inc	RCredit for SET19143	(7,264.27)
2018-03-29	S.S. Cash for Gold Inc	Settlement SET19141	13,971.75
2018-03-29	S.S. Cash for Gold Inc	Settlement SET19143	7,264.27
2018-03-29	S.S. Cash for Gold Inc	Settlement SET19153	7,324.46
2018-03-29	SH Refining Ltd.	RCredit for SET19138	(7,000.37)
2018-03-29	SH Refining Ltd.	Settlement SET19138	7,000.37
2018-03-29	SH Refining Ltd.	Settlement SET19139	6,875.18
Total for Period Ended 2018-03-31			\$ 7,741,165.77
2018-04-02	2337980 Ontario Inc.	Settlement SET19167	\$ 57,382.91
2018-04-02	2457041 Ontario Ltd.	Settlement SET19169	51,470.25
2018-04-02	2474722 Ontario Inc.	Settlement SET19173	29,068.26
2018-04-02	2500028 Ontario Inc.	Settlement SET19172	29,409.12
2018-04-02	S.S. Cash for Gold Inc	Settlement SET19168	14,083.42
2018-04-03	9324-5371 Quebec Inc	Settlement SET19193	73,798.40
2018-04-03	9346-8460 Quebec Inc.	Settlement SET19192	68,964.22
2018-04-03	S.S. Cash for Gold Inc	Settlement SET19186	12,575.81
2018-04-04	8561648 Canada Inc	Settlement SET19221	35,731.28
2018-04-04	9710990 Canada Inc.	Settlement SET19217	35,532.90
2018-04-04	2388905 Ontario Inc.	Settlement SET19214	6,817.20
2018-04-04	Bijouterie Yakona Inc	Settlement SET19211	55,218.41
2018-04-04	S.A. Rajgan Enterprises Corp.	Settlement SET19204	15,216.50
2018-04-04	S.S. Cash for Gold Inc	Settlement SET19206	17,084.99
2018-04-04	Sam Bijouterie Inc.	Settlement SET19212	55,327.87
2018-04-05	2417916 Ontario Inc.	Settlement SET19243	49,365.29
2018-04-05	2474722 Ontario Inc.	Settlement SET19230	41,362.75
2018-04-05	2500028 Ontario Inc.	Settlement SET19231	27,580.41
2018-04-05	2575720 Ontario Inc.	Settlement SET19252	35,057.36
2018-04-05	8561648 Canada Inc	RCredit for SET19222	(36,126.87)
2018-04-05	8561648 Canada Inc	Settlement SET19222	36,126.87
2018-04-05	8561648 Canada Inc	Settlement SET19224	35,467.64
2018-04-05	9324-5371 Quebec Inc	Settlement SET19233	53,906.84
2018-04-05	9710990 Canada Inc.	Settlement SET19229	36,034.57
2018-04-05	9776087 Canada Inc.	Settlement SET19234	35,518.86
2018-04-05	9346-8460 Quebec Inc.	Settlement SET19235	67,663.31
2018-04-05	S.A. Rajgan Enterprises Corp.	Settlement SET19239	28,723.63
2018-04-05	S.S. Cash for Gold Inc	Settlement SET19228	14,008.41
2018-04-05	SH Refining Ltd.	Settlement SET19237	6,868.03
2018-04-09	2337980 Ontario Inc.	Settlement SET19262	63,484.07
2018-04-09	9324-5371 Quebec Inc	Settlement SET19265	53,658.54
2018-04-09	Bijouterie Yakona Inc	Settlement SET19263	60,857.55
2018-04-09	Fast Money Auction Inc.	Settlement SET19278	41,495.48
2018-04-09	S.S. Cash for Gold Inc	Settlement SET19255	14,987.96
2018-04-09	Sam Bijouterie Inc.	Settlement SET19264	60,806.33
2018-04-10	9346-8460 Quebec Inc.	Settlement SET19298	68,014.18
2018-04-10	Elite Precious Metal Exchange Inc.	Settlement SET19302	42,207.23
2018-04-10	Ohannes Khatchirian	Settlement SET19295	17,247.88
2018-04-10	S.S. Cash for Gold Inc	Settlement SET19293	14,352.00
2018-04-11	2466778 Ontario Inc	Settlement SET19331	65,314.86
2018-04-11	2474722 Ontario Inc.	Settlement SET19317	34,959.73
2018-04-11	2500028 Ontario Inc.	Settlement SET19316	27,975.74
2018-04-11	2575720 Ontario Inc.	Settlement SET19325	21,377.20
2018-04-11	8561648 Canada Inc	Settlement SET19321	36,079.94
2018-04-11	9324-5371 Quebec Inc	Settlement SET19323	54,574.39
2018-04-11	9710990 Canada Inc.	Settlement SET19326	27,914.38
2018-04-11	Bijouterie Yakona Inc	Settlement SET19319	40,573.78
2018-04-11	Fast Money Auction Inc.	Settlement SET19327	41,592.59
2018-04-11	9989676 Canada Inc.	Settlement SET19318	48,937.98
2018-04-11	S.A. Rajgan Enterprises Corp.	Settlement SET19313	38,898.86
2018-04-11	S.S. Cash for Gold Inc	Settlement SET19314	11,019.06
2018-04-11	Sam Bijouterie Inc.	Settlement SET19320	40,665.95
2018-04-12	9710990 Canada Inc.	Settlement SET19335	35,092.33
2018-04-12	9776087 Canada Inc.	Settlement SET19346	35,249.50
2018-04-12	9346-8460 Quebec Inc.	Settlement SET19339	67,157.74
2018-04-12	9989676 Canada Inc.	Settlement SET19337	43,466.41
2018-04-12	Pasricha Inc.	Settlement SET19338	41,093.91
2018-04-12	S.S. Cash for Gold Inc	Settlement SET19334	13,968.76

Posting Date	Vendor Name	Description	ITC Denied
2018-04-13	2337980 Ontario Inc.	Settlement SET19359	42,245.71
2018-04-13	8561648 Canada Inc	Settlement SET19357	28,791.62
2018-04-13	2388905 Ontario Inc.	Settlement SET19368	13,882.70
2018-04-13	Bijouterie Yakona Inc	Settlement SET19356	40,488.50
2018-04-13	Fast Money Auction Inc.	Settlement SET19365	48,173.06
2018-04-13	Pasricha Inc.	Settlement SET19351	41,431.26
2018-04-13	S.A. Rajgan Enterprises Corp.	Settlement SET19350	57,017.09
2018-04-13	Sam Bijouterie Inc.	Settlement SET19355	40,750.45
2018-04-16	Elite Precious Metal Exchange Inc.	Settlement SET19373	63,476.92
2018-04-16	S.S. Cash for Gold Inc	Settlement SET19369	9,361.43
2018-04-17	2337980 Ontario Inc.	Settlement SET19390	48,950.98
2018-04-17	2417916 Ontario Inc.	Settlement SET19383	41,460.25
2018-04-17	92957216 Quebec Inc.	Settlement SET19393	27,435.98
2018-04-17	9324-5371 Quebec Inc	Settlement SET19397	53,566.37
2018-04-17	9747583 Canada Ltd	Settlement SET19396	35,280.57
2018-04-17	9982132 Canada Inc.	RCredit for SET19380	(27,619.93)
2018-04-17	9982132 Canada Inc.	Settlement SET19380	27,619.93
2018-04-17	9982132 Canada Inc.	Settlement SET19382	27,416.09
2018-04-17	2388905 Ontario Inc.	Settlement SET19402	13,733.20
2018-04-17	9346-8460 Quebec Inc.	Settlement SET19392	34,034.00
2018-04-17	Ohannes Khatchirian	Settlement SET19385	17,127.50
2018-04-17	Pasricha Inc.	Settlement SET19400	68,606.33
2018-04-17	S.S. Cash for Gold Inc	Settlement SET19381	10,170.42
2018-04-17	Sam Bijouterie Inc.	Settlement SET19391	40,482.91
2018-04-18	2466778 Ontario Inc	Settlement SET19415	49,636.73
2018-04-18	2500028 Ontario Inc.	Settlement SET19412	41,843.75
2018-04-18	Elite Precious Metal Exchange Inc.	Settlement SET19406	28,435.29
2018-04-18	S.S. Cash for Gold Inc	Settlement SET19405	14,898.39
2018-04-18	SH Refining Ltd.	Settlement SET19421	6,948.37
2018-04-19	2466778 Ontario Inc	Settlement SET19441	21,314.67
2018-04-19	8561648 Canada Inc	Settlement SET19438	35,829.82
2018-04-19	9324-5371 Quebec Inc	Settlement SET19434	52,982.80
2018-04-19	9710990 Canada Inc.	Settlement SET19427	35,427.86
2018-04-19	9747583 Canada Ltd	Settlement SET19428	35,197.50
2018-04-19	9776087 Canada Inc.	Settlement SET19446	35,851.01
2018-04-19	9896643 Canada Inc.	Settlement SET19444	21,356.14
2018-04-19	9982132 Canada Inc.	Settlement SET19425	41,720.90
2018-04-19	9839143 Canada Inc.	Settlement SET19445	13,261.56
2018-04-19	Empire Trading Limited	Settlement SET19440	14,176.63
2018-04-19	Pasricha Inc.	RCredit for SET19435	(20,610.85)
2018-04-19	Pasricha Inc.	Settlement SET19435	20,610.85
2018-04-19	Pasricha Inc.	Settlement SET19436	20,763.60
2018-04-19	S.S. Cash for Gold Inc	Settlement SET19423	8,055.45
2018-04-19	Talus Gold Inc.	Settlement SET19433	20,176.78
2018-04-20	2337980 Ontario Inc.	Settlement SET19458	43,370.47
2018-04-20	2417916 Ontario Inc.	Settlement SET19470	56,772.04
2018-04-20	2474722 Ontario Inc.	Settlement SET19456	41,734.94
2018-04-20	2575720 Ontario Inc.	Settlement SET19480	22,106.89
2018-04-20	9982132 Canada Inc.	Settlement SET19466	41,798.64
2018-04-20	2388905 Ontario Inc.	Settlement SET19479	13,804.44
2018-04-20	9346-8460 Quebec Inc.	Settlement SET19460	34,109.14
2018-04-20	Bijouterie Yakona Inc	Settlement SET19462	40,685.71
2018-04-20	Elite Precious Metal Exchange Inc.	Settlement SET19452	42,418.87
2018-04-20	Galaxy Precious Metals Corp.	Settlement SET19475	32,109.61
2018-04-20	S.A. Rajgan Enterprises Corp.	Settlement SET19455	14,228.63
2018-04-20	S.S. Cash for Gold Inc	Settlement SET19448	11,915.02
2018-04-20	Sam Bijouterie Inc.	Settlement SET19464	40,640.08
2018-04-23	2474722 Ontario Inc.	Settlement SET19492	13,885.17
2018-04-23	2500028 Ontario Inc.	Settlement SET19491	27,800.24
2018-04-23	9896643 Canada Inc.	Settlement SET19508	17,130.49
2018-04-23	Bijouterie Yakona Inc	Settlement SET19493	40,267.50
2018-04-23	Elite Precious Metal Exchange Inc.	Settlement SET19481	28,205.32
2018-04-23	Empire Trading Limited	Settlement SET19497	28,203.24
2018-04-23	Fast Money Auction Inc.	Settlement SET19485	20,734.35
2018-04-23	Galaxy Precious Metals Corp.	Settlement SET19506	16,908.71
2018-04-23	S.A. Rajgan Enterprises Corp.	Settlement SET19500	28,187.38
2018-04-23	S.S. Cash for Gold Inc	Settlement SET19484	8,748.48
2018-04-23	Sam Bijouterie Inc.	Settlement SET19494	40,230.97
2018-04-24	8561648 Canada Inc	Settlement SET19537	35,820.33
2018-04-24	92957216 Quebec Inc.	Settlement SET19523	27,829.49
2018-04-24	9324-5371 Quebec Inc	Settlement SET19526	53,944.02
2018-04-24	9710990 Canada Inc.	Settlement SET19513	41,845.31
2018-04-24	9747583 Canada Ltd	Settlement SET19516	35,770.67

Posting Date	Vendor Name	Description	ITC Denied
2018-04-24	9982132 Canada Inc.	RCredit for SET19521	(17,334.20)
2018-04-24	9982132 Canada Inc.	Settlement SET19514	41,648.10
2018-04-24	9982132 Canada Inc.	Settlement SET19515	41,754.31
2018-04-24	9346-8460 Quebec Inc.	Settlement SET19524	54,199.73
2018-04-24	Ohannes Khatchirian	Settlement SET19529	24,910.60
2018-04-24	MC Gold Refining Inc	RCredit for SET19514	(24,313.90) *
2018-04-24	S.S. Cash for Gold Inc	Settlement SET19512	8,456.24
2018-04-25	2337980 Ontario Inc.	Settlement SET19553	35,129.38
2018-04-25	2457041 Ontario Ltd.	Settlement SET19546	42,373.24
2018-04-25	9839143 Canada Inc.	Settlement SET19547	16,444.87
2018-04-25	Bijouterie Yakona Inc	Settlement SET19549	34,152.82
2018-04-25	Elite Precious Metal Exchange Inc.	Settlement SET19543	42,319.42
2018-04-25	Empire Trading Limited	Settlement SET19552	42,391.83
2018-04-25	Pasricha Inc.	Settlement SET19544	20,746.96
2018-04-25	S.S. Cash for Gold Inc	Settlement SET19541	8,610.03
2018-04-25	Sam Bijouterie Inc.	Settlement SET19548	34,193.77
2018-04-25	Talus Gold Inc.	Settlement SET19550	27,765.14
2018-04-26	2417916 Ontario Inc.	Settlement SET19570	49,053.42
2018-04-26	2473927 Ontario Inc	Settlement SET19576	7,133.49
2018-04-26	2474722 Ontario Inc.	Settlement SET19564	20,843.16
2018-04-26	2500028 Ontario Inc.	Settlement SET19563	27,808.82
2018-04-26	2575720 Ontario Inc.	Settlement SET19584	35,265.36
2018-04-26	92957216 Quebec Inc.	Settlement SET19572	27,640.60
2018-04-26	9324-5371 Quebec Inc	Settlement SET19571	53,323.40
2018-04-26	9710990 Canada Inc.	Settlement SET19561	42,858.79
2018-04-26	9747583 Canada Ltd	Settlement SET19562	39,439.14
2018-04-26	9982132 Canada Inc.	Settlement SET19559	42,612.96
2018-04-26	9346-8460 Quebec Inc.	Settlement SET19573	54,746.77
2018-04-26	Galaxy Precious Metals Corp.	Settlement SET19583	28,314.78
2018-04-26	S.A. Rajgan Enterprises Corp.	Settlement SET19566	13,979.81
2018-04-26	S.S. Cash for Gold Inc	Settlement SET19558	8,642.14
2018-04-26	SH Refining Ltd.	Settlement SET19580	3,998.67
2018-04-27	8561648 Canada Inc	Settlement SET19599	35,332.05
2018-04-27	9348417 CANADA INC	Settlement SET19601	729.95
2018-04-27	9776087 Canada Inc.	Settlement SET19603	49,528.70
2018-04-27	9896643 Canada Inc.	Settlement SET19615	31,582.33
2018-04-27	9982132 Canada Inc.	Settlement SET19591	21,181.42
2018-04-27	Elite Precious Metal Exchange Inc.	Settlement SET19595	42,381.82
2018-04-27	Empire Trading Limited	Settlement SET19611	42,324.75
2018-04-27	S.A. Rajgan Enterprises Corp.	Settlement SET19594	32,754.15
2018-04-27	S.S. Cash for Gold Inc	Settlement SET19586	9,715.16
2018-04-30	2457041 Ontario Ltd.	Settlement SET19627	35,677.85
2018-04-30	2474722 Ontario Inc.	Settlement SET19628	27,571.18
2018-04-30	2500028 Ontario Inc.	Settlement SET19629	13,742.56
2018-04-30	2575720 Ontario Inc.	Settlement SET19642	13,810.55
2018-04-30	9982132 Canada Inc.	Settlement SET19643	63,146.98
2018-04-30	9839143 Canada Inc.	Settlement SET19636	30,407.39
2018-04-30	Bijouterie Yakona Inc	Settlement SET19634	40,268.54
2018-04-30	Fast Money Auction Inc.	Settlement SET19623	41,211.95
2018-04-30	9989676 Canada Inc.	Settlement SET19625	41,972.58
2018-04-30	S.A. Rajgan Enterprises Corp.	Settlement SET19626	38,201.15
2018-04-30	S.S. Cash for Gold Inc	Settlement SET19622	10,715.12
2018-04-30	Sam Bijouterie Inc.	Settlement SET19635	40,660.62
Total for Period Ended 2018-04-30			\$ 5,907,256.16

* - On previous audit the credit was in the B&R as \$(17,334.20). New B&R were received subsequent to the completion of the previous audit and the credit is \$(41,648.10). The difference has been adjusted in this audit.

2018-05-01	2337980 Ontario Inc.	Settlement SET19656	\$ 55,617.51
2018-05-01	8561648 Canada Inc	Settlement SET19668	35,011.21
2018-05-01	9710990 Canada Inc.	Settlement SET19671	41,817.10
2018-05-01	9747583 Canada Ltd	Settlement SET19672	35,111.44
2018-05-01	2388905 Ontario Inc.	Settlement SET19666	13,693.29
2018-05-01	S.S. Cash for Gold Inc	Settlement SET19646	11,760.97
2018-05-01	Talus Gold Inc.	Settlement SET19660	20,580.56
2018-05-02	92957216 Quebec Inc.	Settlement SET19682	41,150.85
2018-05-02	9324-5371 Quebec Inc	Settlement SET19681	53,244.88
2018-05-02	9710990 Canada Inc.	Settlement SET19676	41,951.00
2018-05-02	9346-8460 Quebec Inc.	Settlement SET19685	54,387.06
2018-05-02	Elite Precious Metal Exchange Inc.	Settlement SET19675	41,974.01
2018-05-02	S.A. Rajgan Enterprises Corp.	Settlement SET19677	28,317.25
2018-05-02	S.S. Cash for Gold Inc	Settlement SET19674	14,330.55
2018-05-03	2417916 Ontario Inc.	Settlement SET19703	35,284.08

Posting Date	Vendor Name	Description	ITC Denied
2018-05-03	2466778 Ontario Inc	Settlement SET19702	21,223.54
2018-05-03	8561648 Canada Inc	Settlement SET19707	35,279.66
2018-05-03	9710990 Canada Inc.	Settlement SET19704	42,671.07
2018-05-03	9747583 Canada Ltd	Settlement SET19693	35,536.15
2018-05-03	9896643 Canada Inc.	Settlement SET19697	29,681.34
2018-05-03	Bijouterie Yakona Inc	Settlement SET19701	40,086.54
2018-05-03	S.S. Cash for Gold Inc	Settlement SET19692	9,888.32
2018-05-03	Sam Bijouterie Inc.	Settlement SET19700	40,043.25
2018-05-04	8561648 Canada Inc	Settlement SET19716	14,069.90
2018-05-04	9324-5371 Quebec Inc	Settlement SET19722	53,072.11
2018-05-04	9747583 Canada Ltd	Settlement SET19715	27,946.62
2018-05-04	9776087 Canada Inc.	Settlement SET19730	42,354.78
2018-05-04	9346-8460 Quebec Inc.	Settlement SET19720	40,936.35
2018-05-04	Empire Trading Limited	Settlement SET19726	42,138.20
2018-05-04	S.A. Rajgan Enterprises Corp.	Settlement SET19718	44,612.75
2018-05-04	S.S. Cash for Gold Inc	Settlement SET19714	11,029.59
2018-05-07	2474722 Ontario Inc.	Settlement SET19734	21,588.84
2018-05-07	2500028 Ontario Inc.	Settlement SET19735	27,441.70
2018-05-07	9982132 Canada Inc.	Settlement SET19749	42,110.51
2018-05-07	9839143 Canada Inc.	Settlement SET19732	28,148.38
2018-05-07	9346-8460 Quebec Inc.	Settlement SET19744	54,088.97
2018-05-07	Elite Precious Metal Exchange Inc.	Settlement SET19736	42,359.59
2018-05-07	Galaxy Precious Metals Corp.	Settlement SET19751	21,130.85
2018-05-07	Pasricha Inc.	Settlement SET19743	35,181.77
2018-05-07	S.S. Cash for Gold Inc	Settlement SET19741	11,255.79
2018-05-07	Talus Gold Inc.	Settlement SET19747	17,024.54
2018-05-08	2457041 Ontario Ltd.	Settlement SET19761	42,384.68
2018-05-08	2575720 Ontario Inc.	Settlement SET19764	35,449.70
2018-05-08	8561648 Canada Inc	Settlement SET19771	35,427.86
2018-05-08	9747583 Canada Ltd	Settlement SET19760	49,567.18
2018-05-08	9989676 Canada Inc.	Settlement SET19772	42,600.61
2018-05-08	S.A. Rajgan Enterprises Corp.	Settlement SET19763	35,588.80
2018-05-08	S.S. Cash for Gold Inc	Settlement SET19759	8,558.16
2018-05-09	2473927 Ontario Inc	Settlement SET19783	38,005.37
2018-05-09	8561648 Canada Inc	Settlement SET19797	21,634.21
2018-05-09	92957216 Quebec Inc.	Settlement SET19795	41,224.82
2018-05-09	9324-5371 Quebec Inc	Settlement SET19802	53,713.53
2018-05-09	9710990 Canada Inc.	Settlement SET19780	42,478.28
2018-05-09	9747583 Canada Ltd	Settlement SET19782	50,306.49
2018-05-09	9346-8460 Quebec Inc.	RCredit for SET19793	(41,224.82)
2018-05-09	9346-8460 Quebec Inc.	Settlement SET19793	41,224.82
2018-05-09	9346-8460 Quebec Inc.	Settlement SET19794	40,894.10
2018-05-09	Bijouterie Yakona Inc	Settlement SET19790	40,594.19
2018-05-09	Elite Precious Metal Exchange Inc.	Settlement SET19800	42,031.73
2018-05-09	Empire Trading Limited	Settlement SET19779	42,188.90
2018-05-09	Ohannes Khatchirian	Settlement SET19796	14,453.40
2018-05-09	Ohannes Khatchirian	Invoice I11704	39.00
2018-05-09	S.S. Cash for Gold Inc	Settlement SET19777	12,186.59
2018-05-09	Sam Bijouterie Inc.	Settlement SET19789	40,907.10
2018-05-10	8561648 Canada Inc	Settlement SET19816	42,177.20
2018-05-10	9710990 Canada Inc.	Settlement SET19805	42,322.80
2018-05-10	9982132 Canada Inc.	Settlement SET19812	41,988.44
2018-05-10	9346-8460 Quebec Inc.	Settlement SET19815	41,004.60
2018-05-10	Fast Money Auction Inc.	Settlement SET19807	41,047.24
2018-05-10	S.A. Rajgan Enterprises Corp.	Settlement SET19806	14,051.05
2018-05-10	S.S. Cash for Gold Inc	Settlement SET19803	8,397.87
2018-05-10	Tree Jewellers Inc	Settlement SET19814	20,610.59
2018-05-11	2474722 Ontario Inc.	Settlement SET19825	27,588.08
2018-05-11	2500028 Ontario Inc.	Settlement SET19826	14,549.60
2018-05-11	8561648 Canada Inc	Settlement SET19822	21,253.18
2018-05-11	9747583 Canada Ltd	Settlement SET19824	42,562.65
2018-05-11	9776087 Canada Inc.	Settlement SET19827	35,273.16
2018-05-11	Bijouterie Yakona Inc	Settlement SET19831	40,232.01
2018-05-11	Fast Money Auction Inc.	Settlement SET19833	12,893.79
2018-05-11	9989676 Canada Inc.	Settlement SET19835	42,210.61
2018-05-11	S.A. Rajgan Enterprises Corp.	Settlement SET19828	35,212.32
2018-05-11	S.S. Cash for Gold Inc	Settlement SET19820	10,699.65
2018-05-11	Sam Bijouterie Inc.	Settlement SET19829	40,491.23
2018-05-14	2337980 Ontario Inc.	Settlement SET19851	69,893.72
2018-05-14	92957216 Quebec Inc.	Settlement SET19848	40,799.20
2018-05-14	9324-5371 Quebec Inc	Settlement SET19850	26,491.79
2018-05-14	9346-8460 Quebec Inc.	Settlement SET19849	60,609.25
2018-05-14	Empire Trading Limited	Settlement SET19853	41,976.35

Posting Date	Vendor Name	Description	ITC Denied
2018-05-14	Pasricha Inc.	Settlement SET19842	41,009.28
2018-05-14	S.S. Cash for Gold Inc	Settlement SET19839	10,084.23
2018-05-15	2417916 Ontario Inc.	Settlement SET19857	41,098.20
2018-05-15	2457041 Ontario Ltd.	Settlement SET19862	48,535.11
2018-05-15	8561648 Canada Inc	Settlement SET19877	41,821.78
2018-05-15	9747583 Canada Ltd	Settlement SET19875	41,462.98
2018-05-15	9896643 Canada Inc.	Settlement SET19864	33,572.24
2018-05-15	9982132 Canada Inc.	Settlement SET19860	41,837.77
2018-05-15	2388905 Ontario Inc.	Settlement SET19868	13,582.27
2018-05-15	Bijouterie Yakona Inc	Settlement SET19870	55,686.41
2018-05-15	Elite Precious Metal Exchange Inc.	Settlement SET19876	41,554.11
2018-05-15	Fast Money Auction Inc.	Settlement SET19880	20,221.11
2018-05-15	S.A. Rajgan Enterprises Corp.	Settlement SET19861	37,446.50
2018-05-15	S.S. Cash for Gold Inc	Settlement SET19859	9,071.01
2018-05-15	Sam Bijouterie Inc.	Settlement SET19871	55,864.77
2018-05-16	2474722 Ontario Inc.	Settlement SET19895	20,323.55
2018-05-16	2500028 Ontario Inc.	Settlement SET19893	27,087.19
2018-05-16	9324-5371 Quebec Inc	Settlement SET19898	26,356.46
2018-05-16	9710990 Canada Inc.	Settlement SET19886	48,530.82
2018-05-16	9346-8460 Quebec Inc.	Settlement SET19891	52,687.05
2018-05-16	Fast Money Auction Inc.	Settlement SET19900	26,833.82
2018-05-16	Ohannes Khatchirian	Settlement SET19889	14,431.95
2018-05-16	M.A.C Precious Metal Refining Inc	Settlement SET19901	30,904.25
2018-05-16	S.S. Cash for Gold Inc	Settlement SET19884	15,177.63
2018-05-17	2575720 Ontario Inc.	Settlement SET19908	26,976.30
2018-05-17	8561648 Canada Inc	Settlement SET19923	41,926.30
2018-05-17	9710990 Canada Inc.	Settlement SET19913	48,626.63
2018-05-17	9776087 Canada Inc.	Settlement SET19927	42,265.99
2018-05-17	Bijouterie Yakona Inc	Settlement SET19914	49,028.20
2018-05-17	Empire Trading Limited	Settlement SET19917	41,119.65
2018-05-17	Fast Money Auction Inc.	Settlement SET19928	33,616.18
2018-05-17	Galaxy Precious Metals Corp.	Settlement SET19925	27,423.50
2018-05-17	S.S. Cash for Gold Inc	Settlement SET19909	13,925.34
2018-05-17	Sam Bijouterie Inc.	Settlement SET19916	49,038.73
2018-05-17	Talus Gold Inc.	Settlement SET19919	13,688.74
2018-05-18	1994930 Ontario Inc.	Settlement SET19949	528.45
2018-05-18	2337980 Ontario Inc.	Settlement SET19940	48,259.51
2018-05-18	2474722 Ontario Inc.	Settlement SET19938	20,435.35
2018-05-18	2500028 Ontario Inc.	Settlement SET19939	27,134.25
2018-05-18	9324-5371 Quebec Inc	Settlement SET19942	27,701.31
2018-05-18	9747583 Canada Ltd	Settlement SET19933	69,358.51
2018-05-18	9982132 Canada Inc.	Settlement SET19931	40,524.77
2018-05-18	9346-8460 Quebec Inc.	Settlement SET19935	46,590.57
2018-05-18	Elite Precious Metal Exchange Inc.	Settlement SET19950	41,579.33
2018-05-18	Ohannes Khatchirian	Settlement SET19946	12,741.95
2018-05-18	S.A. Rajgan Enterprises Corp.	Settlement SET19941	36,387.00
2018-05-18	S.S. Cash for Gold Inc	Settlement SET19932	18,573.23
2018-05-18	Tree Jewellers Inc	Settlement SET19948	10,129.47
2018-05-22	2417916 Ontario Inc.	Settlement SET19973	47,971.17
2018-05-22	2466778 Ontario Inc	Settlement SET19972	54,950.74
2018-05-22	9839143 Canada Inc.	Settlement SET19956	27,444.30
2018-05-22	Bijouterie Yakona Inc	Settlement SET19959	56,013.75
2018-05-22	Elite Precious Metal Exchange Inc.	Settlement SET19954	41,208.83
2018-05-22	9989676 Canada Inc.	Settlement SET19968	41,415.40
2018-05-22	Pasricha Inc.	Settlement SET19955	40,116.96
2018-05-22	S.S. Cash for Gold Inc	Settlement SET19958	6,947.98
2018-05-22	Sam Bijouterie Inc.	Settlement SET19960	55,685.24
2018-05-23	2337980 Ontario Inc.	Settlement SET19994	69,194.45
2018-05-23	2457041 Ontario Ltd.	Settlement SET19992	36,903.75
2018-05-23	8561648 Canada Inc	Settlement SET19995	41,528.50
2018-05-23	9324-5371 Quebec Inc	Settlement SET19990	41,803.19
2018-05-23	9710990 Canada Inc.	Settlement SET19975	47,509.28
2018-05-23	9747583 Canada Ltd	Settlement SET19978	36,337.99
2018-05-23	9982132 Canada Inc.	Settlement SET19979	40,887.08
2018-05-23	Bal Jewellers & Trading Inc.	Settlement SET19999	10,294.05
2018-05-23	S.A. Rajgan Enterprises Corp.	Settlement SET19976	35,360.00
2018-05-24	1994930 Ontario Inc.	Settlement SET20003	1,099.80
2018-05-24	2575720 Ontario Inc.	Settlement SET20017	35,365.98
2018-05-24	2576393 Ontario Inc.	Settlement SET20020	8,550.36
2018-05-24	92957216 Quebec Inc.	Settlement SET20006	40,686.10
2018-05-24	9710990 Canada Inc.	Settlement SET20007	49,437.70
2018-05-24	9747583 Canada Ltd	Settlement SET20009	35,082.71
2018-05-24	9346-8460 Quebec Inc.	Settlement SET20011	54,020.85

Posting Date	Vendor Name	Description	ITC Denied
2018-05-24	Bijouterie Yakona Inc	Settlement SET20012	33,529.34
2018-05-24	Elite Precious Metal Exchange Inc.	Settlement SET20004	41,908.10
2018-05-24	Ohannes Khatchirian	Settlement SET20010	14,316.25
2018-05-24	M.A.C Precious Metal Refining Inc	Settlement SET20008	24,506.95
2018-05-24	9989676 Canada Inc.	Settlement SET20018	41,987.79
2018-05-24	S.S. Cash for Gold Inc	Settlement SET20002	17,467.06
2018-05-24	Sam Bijouterie Inc.	Settlement SET20013	33,464.34
2018-05-25	2474722 Ontario Inc.	Settlement SET20030	27,607.84
2018-05-25	2500028 Ontario Inc.	Settlement SET20029	27,629.29
2018-05-25	8561648 Canada Inc	Settlement SET20041	71,326.84
2018-05-25	9324-5371 Quebec Inc	Settlement SET20038	42,716.05
2018-05-25	9747583 Canada Ltd	Settlement SET20031	42,538.60
2018-05-25	9982132 Canada Inc.	Settlement SET20024	41,506.66
2018-05-25	Bal Jewellers & Trading Inc.	Settlement SET20043	13,565.63
2018-05-25	Empire Trading Limited	Settlement SET20039	42,324.36
2018-05-25	Fast Money Auction Inc.	Settlement SET20040	41,174.64
2018-05-25	S.S. Cash for Gold Inc	Settlement SET20027	20,071.48
2018-05-25	SH Refining Ltd.	Settlement SET20047	6,852.69
2018-05-28	2337980 Ontario Inc.	Settlement SET20066	56,062.11
2018-05-28	9776087 Canada Inc.	Settlement SET20052	35,749.61
2018-05-28	9982132 Canada Inc.	Settlement SET20053	41,399.15
2018-05-28	9346-8460 Quebec Inc.	Settlement SET20060	47,324.55
2018-05-28	Bijouterie Yakona Inc	Settlement SET20058	36,784.80
2018-05-28	S.S. Cash for Gold Inc	Settlement SET20050	17,431.05
2018-05-28	Sam Bijouterie Inc.	Settlement SET20056	36,582.78
2018-05-28	SH Refining Ltd.	Settlement SET20067	13,639.47
2018-05-28	Talus Gold Inc.	Settlement SET20059	21,529.30
2018-05-29	92957216 Quebec Inc.	Settlement SET20084	68,557.97
2018-05-29	9710990 Canada Inc.	Settlement SET20074	49,466.95
2018-05-29	9747583 Canada Ltd	Settlement SET20075	35,243.91
2018-05-29	9896643 Canada Inc.	Settlement SET20100	24,587.55
2018-05-29	Bal Jewellers & Trading Inc.	Settlement SET20093	15,217.02
2018-05-29	Elite Precious Metal Exchange Inc.	Settlement SET20080	42,381.56
2018-05-29	Galaxy Precious Metals Corp.	Settlement SET20076	35,178.65
2018-05-29	S.A. Rajgan Enterprises Corp.	Settlement SET20085	28,928.25
2018-05-29	S.S. Cash for Gold Inc	Settlement SET20078	9,690.72
2018-05-30	1994930 Ontario Inc.	Settlement SET20112	2,679.95
2018-05-30	2474722 Ontario Inc.	Settlement SET20107	27,961.44
2018-05-30	2500028 Ontario Inc.	Settlement SET20108	21,051.03
2018-05-30	8561648 Canada Inc	Settlement SET20106	41,975.05
2018-05-30	9324-5371 Quebec Inc	Settlement SET20116	41,940.47
2018-05-30	9747583 Canada Ltd	Settlement SET20123	35,036.04
2018-05-30	9982132 Canada Inc.	Settlement SET20104	42,089.84
2018-05-30	9346-8460 Quebec Inc.	Settlement SET20122	53,398.80
2018-05-30	Bijouterie Yakona Inc	Settlement SET20126	36,375.82
2018-05-30	Ohannes Khatchirian	Settlement SET20121	21,577.92
2018-05-30	M.A.C Precious Metal Refining Inc.	Settlement SET20127	34,534.76
2018-05-30	Pasricha Inc.	Settlement SET20114	40,702.61
2018-05-30	S.S. Cash for Gold Inc	Settlement SET20101	15,181.66
2018-05-30	Sam Bijouterie Inc.	Settlement SET20125	36,420.15
2018-05-30	Tree Jewellers Inc	Settlement SET20113	20,986.68
2018-05-31	2417916 Ontario Inc.	Settlement SET20142	56,363.32
2018-05-31	2575720 Ontario Inc.	Settlement SET20134	27,636.96
2018-05-31	8561648 Canada Inc	Settlement SET20135	49,189.40
2018-05-31	9710990 Canada Inc.	Settlement SET20129	49,841.87
2018-05-31	9747583 Canada Ltd	Settlement SET20131	35,566.44
2018-05-31	9839143 Canada Inc.	Settlement SET20149	33,555.60
2018-05-31	Bal Jewellers & Trading Inc.	Settlement SET20150	14,624.74
2018-05-31	9989676 Canada Inc.	Settlement SET20145	42,233.36
2018-05-31	S.A. Rajgan Enterprises Corp.	Settlement SET20130	56,328.09
2018-05-31	S.S. Cash for Gold Inc	Settlement SET20128	17,191.98
2018-05-31	SH Refining Ltd.	Settlement SET20138	13,683.28
Total for Period Ended 2018-05-31			\$ 7,506,656.43
2018-06-01	2337980 Ontario Inc.	Settlement SET20158	\$ 70,011.89
2018-06-01	8561648 Canada Inc	Settlement SET20154	28,329.47
2018-06-01	9324-5371 Quebec Inc	Settlement SET20164	42,276.78
2018-06-01	2388905 Ontario Inc.	Settlement SET20169	13,609.57
2018-06-01	Fast Money Auction Inc.	Settlement SET20162	41,018.12
2018-06-01	S.S. Cash for Gold Inc	Settlement SET20153	21,229.13
2018-06-04	9346-8460 Quebec Inc.	Settlement SET20187	53,654.90
2018-06-04	Bijouterie Yakona Inc	Settlement SET20182	33,329.66
2018-06-04	Empire Trading Limited	Settlement SET20177	41,767.31

Posting Date	Vendor Name	Description	ITC Denied
2018-06-04	Pasricha Inc.	Settlement SET20176	27,136.98
2018-06-04	S.S. Cash for Gold Inc	Settlement SET20173	20,545.98
2018-06-04	Sam Bijouterie Inc.	Settlement SET20180	33,379.45
2018-06-05	2457041 Ontario Ltd.	Settlement SET20211	42,303.30
2018-06-05	2466778 Ontario Inc	Settlement SET20210	49,071.75
2018-06-05	8561648 Canada Inc	Settlement SET20219	49,546.90
2018-06-05	9710990 Canada Inc.	Settlement SET20202	49,690.68
2018-06-05	9776087 Canada Inc.	Settlement SET20222	42,750.50
2018-06-05	9982132 Canada Inc.	Settlement SET20201	41,971.80
2018-06-05	S.A. Rajgan Enterprises Corp.	Settlement SET20199	42,800.55
2018-06-05	S.S. Cash for Gold Inc	Settlement SET20195	17,330.17
2018-06-05	Talus Gold Inc.	Settlement SET20208	20,586.80
2018-06-06	1994930 Ontario Inc.	Settlement SET20243	13,942.11
2018-06-06	2337980 Ontario Inc.	Settlement SET20231	76,568.57
2018-06-06	8561648 Canada Inc	Settlement SET20234	48,952.80
2018-06-06	9324-5371 Quebec Inc	Settlement SET20236	42,222.83
2018-06-06	9346-8460 Quebec Inc.	Settlement SET20233	53,812.20
2018-06-06	Elite Precious Metal Exchange Inc.	Settlement SET20229	41,937.22
2018-06-06	Ohannes Khatchirian	Settlement SET20244	23,535.07
2018-06-06	S.S. Cash for Gold Inc	Settlement SET20224	13,998.92
2018-06-07	2474722 Ontario Inc.	Settlement SET20254	34,985.34
2018-06-07	2500028 Ontario Inc.	Settlement SET20255	28,381.86
2018-06-07	2575720 Ontario Inc.	Settlement SET20265	35,071.79
2018-06-07	9710990 Canada Inc.	Settlement SET20250	49,333.70
2018-06-07	9982132 Canada Inc.	Settlement SET20252	27,958.06
2018-06-07	9989676 Canada Inc.	Settlement SET20261	35,015.50
2018-06-07	S.S. Cash for Gold Inc	Settlement SET20251	21,311.42
2018-06-07	Tree Jewellers Inc	Settlement SET20260	14,315.60
2018-06-08	2466778 Ontario Inc	Settlement SET20276	28,494.70
2018-06-08	9324-5371 Quebec Inc	Settlement SET20277	28,250.56
2018-06-08	Bal Jewellers & Trading Inc.	Settlement SET20284	7,074.34
2018-06-08	9346-8460 Quebec Inc.	Settlement SET20285	20,339.67
2018-06-08	Empire Trading Limited	Settlement SET20272	35,077.90
2018-06-08	Fast Money Auction Inc.	Settlement SET20274	68,326.44
2018-06-08	S.A. Rajgan Enterprises Corp.	Settlement SET20281	13,940.55
2018-06-08	S.S. Cash for Gold Inc	Settlement SET20271	13,904.93
2018-06-11	9896643 Canada Inc.	Settlement SET20292	28,147.73
2018-06-11	9982132 Canada Inc.	Settlement SET20289	42,271.19
2018-06-11	Bijouterie Yakona Inc	Settlement SET20295	37,169.60
2018-06-11	Elite Precious Metal Exchange Inc.	Settlement SET20300	42,260.79
2018-06-11	Galaxy Precious Metals Corp.	Settlement SET20293	18,108.09
2018-06-11	S.A. Rajgan Enterprises Corp.	Settlement SET20309	13,634.40
2018-06-11	S.S. Cash for Gold Inc	Settlement SET20288	10,781.16
2018-06-11	Sam Bijouterie Inc.	Settlement SET20294	30,645.42
2018-06-11	SH Refining Ltd.	Settlement SET20307	6,737.38
2018-06-12	1994930 Ontario Inc.	Settlement SET20323	4,047.55
2018-06-12	2457041 Ontario Ltd.	Settlement SET20320	28,023.71
2018-06-12	2575720 Ontario Inc.	Settlement SET20325	31,106.79
2018-06-12	8561648 Canada Inc	Settlement SET20335	35,166.95
2018-06-12	9747583 Canada Ltd	Settlement SET20328	69,630.60
2018-06-12	Ohannes Khatchirian	Settlement SET20326	23,138.70
2018-06-12	9989676 Canada Inc.	Settlement SET20318	42,184.48
2018-06-12	S.S. Cash for Gold Inc	Settlement SET20312	10,529.61
2018-06-12	Talus Gold Inc.	Settlement SET20319	20,983.30
2018-06-13	2337980 Ontario Inc.	Settlement SET20351	56,316.00
2018-06-13	9324-5371 Quebec Inc	Settlement SET20358	29,148.21
2018-06-13	9710990 Canada Inc.	Settlement SET20338	51,597.65
2018-06-13	9982132 Canada Inc.	Settlement SET20340	42,060.98
2018-06-13	9839143 Canada Inc.	Settlement SET20347	21,937.50
2018-06-13	9346-8460 Quebec Inc.	Settlement SET20345	40,393.60
2018-06-13	Bijouterie Yakona Inc	Settlement SET20349	30,210.70
2018-06-13	M.A.C Precious Metal Refining Inc	Settlement SET20348	22,698.00
2018-06-13	Pasricha Inc.	Settlement SET20353	40,947.92
2018-06-13	S.S. Cash for Gold Inc	Settlement SET20337	9,840.22
2018-06-13	Sam Bijouterie Inc.	Settlement SET20350	36,565.75
2018-06-14	2457041 Ontario Ltd.	Settlement SET20378	30,648.15
2018-06-14	2576393 Ontario Inc.	Settlement SET20388	2,919.80
2018-06-14	8561648 Canada Inc	Settlement SET20374	35,762.35
2018-06-14	92957216 Quebec Inc.	Settlement SET20371	68,723.85
2018-06-14	9710990 Canada inc.	Settlement SET20362	43,767.75
2018-06-14	9346-8460 Quebec Inc.	Settlement SET20372	34,555.30
2018-06-14	Elite Precious Metal Exchange Inc.	Settlement SET20369	42,552.77
2018-06-14	Empire Trading Limited	Settlement SET20363	42,370.77

Posting Date	Vendor Name	Description	ITC Denied
2018-06-14	9989676 Canada Inc.	Settlement SET20385	42,517.15
2018-06-14	S.A. Rajgan Enterprises Corp.	Settlement SET20382	42,738.93
2018-06-14	S.S. Cash for Gold Inc	Settlement SET20361	19,815.12
2018-06-14	Tree Jewellers Inc	Settlement SET20380	17,507.75
2018-06-15	2337980 Ontario Inc.	Settlement SET20407	20,925.71
2018-06-15	2417916 Ontario Inc.	Settlement SET20396	49,290.54
2018-06-15	8561648 Canada Inc	Settlement SET20389	28,369.77
2018-06-15	9324-5371 Quebec Inc	RCredit for SET20391	(30,028.05)
2018-06-15	9324-5371 Quebec Inc	Settlement SET20391	30,028.05
2018-06-15	9324-5371 Quebec Inc	Settlement SET20400	29,838.38
2018-06-15	9747583 Canada Ltd	Settlement SET20394	20,465.90
2018-06-15	9776087 Canada Inc.	Settlement SET20408	42,455.40
2018-06-15	Bal Jewellers & Trading Inc.	Settlement SET20404	8,590.79
2018-06-15	Fast Money Auction Inc.	Settlement SET20397	47,789.95
2018-06-15	S.S. Cash for Gold Inc	Settlement SET20393	18,880.55
2018-06-15	SH Refining Ltd.	Settlement SET20402	13,732.16
2018-06-18	2474722 Ontario Inc.	Settlement SET20430	41,973.10
2018-06-18	2500028 Ontario Inc.	Settlement SET20429	28,226.64
2018-06-18	92957216 Quebec Inc.	Settlement SET20426	34,198.45
2018-06-18	9896643 Canada Inc.	Settlement SET20423	21,071.31
2018-06-18	2388905 Ontario Inc.	Settlement SET20432	13,640.12
2018-06-18	9346-8460 Quebec Inc.	Settlement SET20425	34,232.90
2018-06-18	Bijouterie Yakona Inc	Settlement SET20422	40,097.85
2018-06-18	Elite Precious Metal Exchange Inc.	Settlement SET20427	28,087.15
2018-06-18	Galaxy Precious Metals Corp.	Settlement SET20424	22,345.57
2018-06-18	S.A. Rajgan Enterprises Corp.	Settlement SET20415	28,922.14
2018-06-18	S.S. Cash for Gold Inc	Settlement SET20411	18,168.80
2018-06-18	Sam Bijouterie Inc.	Settlement SET20421	46,801.95
2018-06-19	1994930 Ontario Inc.	Settlement SET20452	16,090.10
2018-06-19	8561648 Canada Inc	Settlement SET20463	28,295.67
2018-06-19	9710990 Canada Inc.	Settlement SET20435	42,648.45
2018-06-19	9982132 Canada Inc.	Settlement SET20434	42,263.65
2018-06-19	9839143 Canada Inc.	Settlement SET20438	21,156.07
2018-06-19	Empire Trading Limited	Settlement SET20453	35,178.65
2018-06-19	Fast Money Auction Inc.	Settlement SET20441	27,236.04
2018-06-19	Ohannes Khatchirian	Settlement SET20455	22,359.35
2018-06-19	M.A.C Precious Metal Refining Inc	Settlement SET20437	21,125.91
2018-06-19	S.S. Cash for Gold Inc	Settlement SET20433	16,505.32
2018-06-19	SH Refining Ltd.	Settlement SET20445	13,793.00
2018-06-19	Talus Gold Inc.	Settlement SET20454	21,142.29
2018-06-20	2337980 Ontario Inc.	Settlement SET20475	70,458.44
2018-06-20	2575720 Ontario Inc.	Settlement SET20480	42,047.20
2018-06-20	8561648 Canada Inc	Settlement SET20470	28,461.16
2018-06-20	9324-5371 Quebec Inc	Settlement SET20474	37,648.78
2018-06-20	9747583 Canada Ltd	Settlement SET20466	28,780.44
2018-06-20	S.S. Cash for Gold Inc	Settlement SET20464	16,873.35
2018-06-21	2474722 Ontario Inc.	Settlement SET20491	21,141.90
2018-06-21	2500028 Ontario Inc.	Settlement SET20492	28,130.96
2018-06-21	8561648 Canada Inc	Settlement SET20501	35,400.30
2018-06-21	92957216 Quebec Inc.	Settlement SET20495	34,201.70
2018-06-21	9710990 Canada Inc.	Settlement SET20484	35,202.44
2018-06-21	9747583 Canada Ltd	Settlement SET20503	28,531.49
2018-06-21	9776087 Canada Inc.	Settlement SET20499	35,243.52
2018-06-21	9982132 Canada Inc.	Settlement SET20483	35,181.38
2018-06-21	9346-8460 Quebec Inc.	Settlement SET20494	34,246.55
2018-06-21	Bijouterie Yakona Inc	Settlement SET20490	26,606.45
2018-06-21	S.S. Cash for Gold Inc	Settlement SET20482	14,078.22
2018-06-21	Sam Bijouterie Inc.	Settlement SET20489	33,241.65
2018-06-22	2473927 Ontario Inc	Settlement SET20514	41,475.46
2018-06-22	9896643 Canada Inc.	Settlement SET20519	24,568.05
2018-06-22	9346-8460 Quebec Inc.	Settlement SET20518	40,843.27
2018-06-22	Elite Precious Metal-Exchange Inc.	Settlement SET20528	35,063.47
2018-06-22	9989676 Canada Inc.	Settlement SET20510	42,189.29
2018-06-22	Pasricha Inc.	Settlement SET20521	54,437.24
2018-06-22	S.A. Rajgan Enterprises Corp.	Settlement SET20515	23,316.80
2018-06-22	S.S. Cash for Gold Inc	Settlement SET20507	15,100.54
2018-06-22	SH Refining Ltd.	Settlement SET20512	20,485.79
2018-06-22	Tree Jewellers Inc	Settlement SET20517	17,843.15
2018-06-25	92957216 Quebec Inc.	Settlement SET20541	54,249.39
2018-06-25	9324-5371 Quebec Inc	Settlement SET20548	29,935.10
2018-06-25	9982132 Canada Inc.	Settlement SET20531	42,104.79
2018-06-25	9346-8460 Quebec Inc.	Settlement SET20540	40,871.35
2018-06-25	M.A.C Precious Metal Refining Inc	Settlement SET20538	35,158.24

Posting Date	Vendor Name	Description	ITC Denied
2018-06-25	S.S. Cash for Gold Inc	Settlement SET20532	3,405.22
2018-06-26	2417916 Ontario Inc.	Settlement SET20564	68,205.67
2018-06-26	2457041 Ontario Ltd.	Settlement SET20569	36,908.69
2018-06-26	9710990 Canada Inc.	Settlement SET20554	43,819.36
2018-06-26	9747583 Canada Ltd	Settlement SET20573	35,286.42
2018-06-26	9776087 Canada Inc.	Settlement SET20565	40,214.20
2018-06-26	9839143 Canada Inc.	Settlement SET20579	34,935.03
2018-06-26	Bijouterie Yakona Inc	Settlement SET20566	72,555.60
2018-06-26	Elite Precious Metal Exchange Inc.	Settlement SET20575	41,887.43
2018-06-26	Empire Trading Limited	Settlement SET20557	41,788.24
2018-06-26	Fast Money Auction Inc.	Settlement SET20583	47,129.68
2018-06-26	Pasricha Inc.	Settlement SET20582	40,829.88
2018-06-26	S.A. Rajgan Enterprises Corp.	Settlement SET20570	37,255.40
2018-06-26	S.S. Cash for Gold Inc	Settlement SET20553	17,411.16
2018-06-26	SH Refining Ltd.	Settlement SET20559	20,237.36
2018-06-26	Talus Gold Inc.	Settlement SET20568	21,177.65
2018-06-27	2474722 Ontario Inc.	Settlement SET20597	27,924.91
2018-06-27	2500028 Ontario Inc.	Settlement SET20596	41,512.77
2018-06-27	2575720 Ontario Inc.	Settlement SET20609	27,941.16
2018-06-27	8561648 Canada Inc	Settlement SET20586	42,849.95
2018-06-27	92957216 Quebec Inc.	Settlement SET20593	60,272.55
2018-06-27	9324-5371 Quebec Inc	Settlement SET20602	37,285.30
2018-06-27	9710990 Canada Inc.	Settlement SET20589	40,519.70
2018-06-27	9346-8460 Quebec Inc.	RCredit for SET20594	(60,214.70)
2018-06-27	9346-8460 Quebec Inc.	Settlement SET20594	60,214.70
2018-06-27	9346-8460 Quebec Inc.	Settlement SET20595	60,896.29
2018-06-27	Fast Money Auction Inc.	Settlement SET20603	20,246.98
2018-06-27	Galaxy Precious Metals Corp.	Settlement SET20598	37,655.02
2018-06-27	S.S. Cash for Gold Inc	Settlement SET20591	19,610.63
2018-06-28	1994930 Ontario Inc.	Settlement SET20630	16,471.65
2018-06-28	8561648 Canada Inc	Settlement SET20615	50,264.63
2018-06-28	9710990 Canada Inc.	Settlement SET20614	40,498.90
2018-06-28	9747583 Canada Ltd	Settlement SET20620	49,010.00
2018-06-28	9982132 Canada Inc.	Settlement SET20612	41,615.60
2018-06-28	Bijouterie Yakona Inc	Settlement SET20619	32,936.02
2018-06-28	Elite Precious Metal Exchange Inc.	Settlement SET20627	2,512.25
2018-06-28	Fast Money Auction Inc.	Settlement SET20623	19,250.01
2018-06-28	Ohannes Khatchirian	Settlement SET20621	29,734.25
2018-06-28	9989676 Canada Inc.	Settlement SET20628	41,163.33
2018-06-28	Pasricha Inc.	Settlement SET20624	20,669.09
2018-06-28	S.S. Cash for Gold Inc	Settlement SET20613	1,864.98
2018-06-29	92957216 Quebec Inc.	Settlement SET20643	26,565.11
2018-06-29	9324-5371 Quebec Inc	Settlement SET20638	35,703.72
2018-06-29	9896643 Canada Inc.	Settlement SET20663	17,210.05
2018-06-29	9839143 Canada Inc.	Settlement SET20635	17,186.65
2018-06-29	9346-8460 Quebec Inc.	Settlement SET20642	26,696.80
2018-06-29	Bijouterie Safa Inc	Settlement SET20646	6,178.25
2018-06-29	Elite Precious Metal Exchange Inc.	Settlement SET20657	41,072.59
2018-06-29	Empire Trading Limited	Settlement SET20636	41,016.17
2018-06-29	Galaxy Precious Metals Corp.	Settlement SET20662	15,285.14
2018-06-29	GoldBrex International Inc	Settlement SET20640	6,560.97
2018-06-29	GoldBrex International Inc	Settlement SET20665	6,208.41
2018-06-29	M.A.C Precious Metal Refining Inc	Settlement SET20634	17,186.65
2018-06-29	S.A. Rajgan Enterprises Corp.	Settlement SET20656	28,701.40
2018-06-29	S.S. Cash for Gold Inc	Settlement SET20637	5,626.53
2018-06-29	SH Refining Ltd.	Settlement SET20660	33,221.89
2018-06-29	Tree Jewellers Inc	Settlement SET20639	13,697.19
Total for Period Ended 2018-06-30			\$ 6,612,145.41
2018-07-09	2457041 Ontario Ltd.	Settlement SET20695	\$ 43,367.61
2018-07-09	2474722 Ontario Inc.	Settlement SET20679	27,738.75
2018-07-09	2500028 Ontario Inc.	Settlement SET20678	20,639.06
2018-07-09	9324-5371 Quebec Inc	Settlement SET20699	28,588.30
2018-07-09	9348417 CANADA INC	Settlement SET20693	20,621.25
2018-07-09	9982132 Canada Inc.	Settlement SET20696	41,217.54
2018-07-09	Empire Trading Limited	Settlement SET20667	41,284.10
2018-07-09	Fast Money Auction Inc.	Settlement SET20698	13,435.76
2018-07-09	GoldBrex International Inc	Settlement SET20666	22,527.44
2018-07-09	GoldBrex International Inc	Settlement SET20701	24,556.74
2018-07-09	Ohannes Khatchirian	Settlement SET20691	21,795.93
2018-07-09	S.S. Cash for Gold Inc	Settlement SET20668	30,858.88
2018-07-09	Talus Gold Inc.	Settlement SET20683	20,658.30
2018-07-10	2337980 Ontario Inc.	Settlement SET20712	48,038.64

Posting Date	Vendor Name	Description	ITC Denied
2018-07-10	2417916 Ontario Inc.	Settlement SET20721	94,925.35
2018-07-10	2575720 Ontario Inc.	Settlement SET20711	36,613.20
2018-07-10	9710990 Canada Inc.	Settlement SET20708	43,096.95
2018-07-10	Bal Jewellers & Trading Inc.	Settlement SET20716	13,295.75
2018-07-10	Elite Precious Metal Exchange Inc.	Settlement SET20703	41,127.19
2018-07-10	GoldBrex International Inc	Settlement SET20704	23,149.36
2018-07-10	M.A.C Precious Metal Refining Inc	Settlement SET20709	30,784.52
2018-07-10	S.A. Rajgan Enterprises Corp.	Settlement SET20722	38,994.80
2018-07-10	S.S. Cash for Gold Inc	Settlement SET20705	9,621.30
2018-07-10	SH Refining Ltd.	Settlement SET20706	33,178.34
2018-07-11	9710990 Canada Inc.	Settlement SET20738	43,075.63
2018-07-11	Fast Money Auction Inc.	Settlement SET20732	13,302.25
2018-07-11	Galaxy Precious Metals Corp.	Settlement SET20735	31,982.99
2018-07-11	GoldBrex International Inc	Settlement SET20727	9,451.78
2018-07-11	GoldBrex International Inc	Settlement SET20740	10,933.39
2018-07-11	9989676 Canada Inc.	Settlement SET20730	40,818.83
2018-07-11	S.S. Cash for Gold Inc	Settlement SET20728	25,423.97
2018-07-12	2474722 Ontario Inc.	Settlement SET20753	26,812.50
2018-07-12	2500028 Ontario Inc.	Settlement SET20752	33,512.05
2018-07-12	8561648 Canada Inc	Settlement SET20764	23,073.05
2018-07-12	9324-5371 Quebec Inc	Settlement SET20763	44,539.30
2018-07-12	9896643 Canada Inc.	Settlement SET20759	31,337.02
2018-07-12	9982132 Canada Inc.	Settlement SET20762	41,037.49
2018-07-12	9346-8460 Quebec Inc.	Settlement SET20761	52,517.01
2018-07-12	Empire Trading Limited	Settlement SET20750	40,843.53
2018-07-12	S.S. Cash for Gold Inc	Settlement SET20747	25,494.56
2018-07-13	2337980 Ontario Inc.	RCredit for SET20791	(13,384.80)
2018-07-13	2337980 Ontario Inc.	Settlement SET20791	13,384.80
2018-07-13	2337980 Ontario Inc.	Settlement SET20792	13,513.76
2018-07-13	3526763 Canada Ltd	Settlement SET20787	6,646.90
2018-07-13	8561648 Canada Inc	Settlement SET20769	37,885.64
2018-07-13	92957216 Quebec Inc.	Settlement SET20776	39,643.76
2018-07-13	9776087 Canada Inc.	Settlement SET20773	40,904.24
2018-07-13	9839143 Canada Inc.	Settlement SET20790	30,400.37
2018-07-13	Elite Precious Metal Exchange Inc.	Settlement SET20767	40,779.44
2018-07-13	GoldBrex International Inc	RCredit for SET20779	(10,855.78)
2018-07-13	GoldBrex International Inc	Settlement SET20779	21,711.56
2018-07-13	GoldBrex International Inc	Settlement SET20780	10,855.78
2018-07-13	S.S. Cash for Gold Inc	Settlement SET20766	19,227.39
2018-07-13	SH Refining Ltd.	Settlement SET20771	32,917.04
2018-07-16	2417916 Ontario Inc.	Settlement SET20823	40,793.22
2018-07-16	2466778 Ontario Inc	Settlement SET20822	6,658.47
2018-07-16	9324-5371 Quebec Inc	RCredit for SET20824	(35,396.92)
2018-07-16	9324-5371 Quebec Inc	Settlement SET20824	35,396.92
2018-07-16	9324-5371 Quebec Inc	Settlement SET20826	34,726.51
2018-07-16	9348417 CANADA INC	Settlement SET20817	20,366.58
2018-07-16	2388905 Ontario Inc.	Settlement SET20820	13,155.22
2018-07-16	9346-8460 Quebec Inc.	Settlement SET20810	52,538.46
2018-07-16	Empire Trading Limited	Settlement SET20802	40,632.15
2018-07-16	Fast Money Auction Inc.	Settlement SET20828	26,407.16
2018-07-16	GoldBrex International Inc	Settlement SET20795	10,453.17
2018-07-16	GoldBrex International Inc	Settlement SET20821	9,894.43
2018-07-16	9989676 Canada Inc.	Settlement SET20819	40,583.66
2018-07-16	S.S. Cash for Gold Inc	Settlement SET20796	10,543.26
2018-07-16	Tree Jewellers Inc	Settlement SET20814	20,435.22
2018-07-17	2457041 Ontario Ltd.	Settlement SET20846	34,888.10
2018-07-17	2474722 Ontario Inc.	Settlement SET20831	33,187.57
2018-07-17	2500028 Ontario Inc.	Settlement SET20829	33,162.22
2018-07-17	2575720 Ontario Inc.	Settlement SET20844	26,658.45
2018-07-17	92957216 Quebec Inc.	Settlement SET20838	58,325.54
2018-07-17	9710990 Canada Inc.	Settlement SET20832	52,211.12
2018-07-17	9896643 Canada Inc.	Settlement SET20836	29,139.76
2018-07-17	9982132 Canada Inc.	Settlement SET20847	40,399.06
2018-07-17	Elite Precious Metal Exchange Inc.	Settlement SET20835	40,364.09
2018-07-17	Fast Money Auction Inc.	Settlement SET20850	39,502.45
2018-07-17	GoldBrex International Inc	Settlement SET20834	9,105.20
2018-07-17	GoldBrex International Inc	Settlement SET20853	8,680.62
2018-07-17	S.A. Rajgan Enterprises Corp.	Settlement SET20841	33,722.00
2018-07-17	S.S. Cash for Gold Inc	Settlement SET20833	20,483.45
2018-07-18	2337980 Ontario Inc.	Settlement SET20873	47,032.44
2018-07-18	8561648 Canada Inc	Settlement SET20862	49,343.19
2018-07-18	9710990 Canada Inc.	Settlement SET20857	46,070.05
2018-07-18	9346-8460 Quebec Inc.	Settlement SET20865	45,299.41

Posting Date	Vendor Name	Description	ITC Denied
2018-07-18	Empire Trading Limited	Settlement SET20858	40,379.30
2018-07-18	Galaxy Precious Metals Corp.	Settlement SET20872	20,214.87
2018-07-18	S.S. Cash for Gold Inc	Settlement SET20861	19,758.83
2018-07-18	SH Refining Ltd.	Settlement SET20864	32,700.85
2018-07-19	1994930 Ontario Inc.	Settlement SET20881	14,222.13
2018-07-19	8561648 Canada Inc	Settlement SET20889	34,658.13
2018-07-19	9324-5371 Quebec Inc	Settlement SET20884	42,638.57
2018-07-19	GoldBrex International Inc	Settlement SET20875	8,436.87
2018-07-19	GoldBrex International Inc	Settlement SET20890	7,668.31
2018-07-19	Ohannes Khatchirian	Settlement SET20880	29,238.56
2018-07-19	S.S. Cash for Gold Inc	Settlement SET20876	11,234.21
2018-07-19	Sam Bijouterie Inc.	Settlement SET20879	70,509.01
2018-07-19	Talus Gold Inc.	Settlement SET20882	20,203.04
2018-07-20	2337980 Ontario Inc.	Settlement SET20913	33,659.21
2018-07-20	2474722 Ontario Inc.	Settlement SET20895	26,248.82
2018-07-20	2500028 Ontario Inc.	Settlement SET20894	26,240.37
2018-07-20	92957216 Quebec Inc.	Settlement SET20903	39,067.99
2018-07-20	9776087 Canada Inc.	Settlement SET20904	47,281.65
2018-07-20	9982132 Canada Inc.	Settlement SET20896	40,313.39
2018-07-20	9839143 Canada Inc.	Settlement SET20907	26,941.07
2018-07-20	9346-8460 Quebec Inc.	Settlement SET20901	45,454.11
2018-07-20	Bijouterie Safa Inc	Settlement SET20902	9,996.22
2018-07-20	Fast Money Auction Inc.	Settlement SET20916	65,165.88
2018-07-20	GoldBrex International Inc	Settlement SET20892	8,043.23
2018-07-20	GoldBrex International Inc	Settlement SET20905	7,646.34
2018-07-20	9989676 Canada Inc.	Settlement SET20906	33,647.12
2018-07-20	S.A. Rajgan Enterprises Corp.	Settlement SET20910	26,926.38
2018-07-20	S.S. Cash for Gold Inc	Settlement SET20897	27,999.40
2018-07-20	SH Refining Ltd.	Settlement SET20899	32,595.68
2018-07-23	92957216 Quebec Inc.	Settlement SET20931	44,048.81
2018-07-23	9982132 Canada Inc.	Settlement SET20924	40,321.84
2018-07-23	9346-8460 Quebec Inc.	Settlement SET20933	45,560.45
2018-07-23	Elite Precious Metal Exchange Inc.	Settlement SET20939	40,406.47
2018-07-23	Fast Money Auction Inc.	Settlement SET20932	26,141.96
2018-07-23	GoldBrex International Inc	Settlement SET20920	7,603.18
2018-07-23	GoldBrex International Inc	Settlement SET20943	7,670.78
2018-07-23	M.A.C Precious Metal Refining Inc	Settlement SET20944	26,930.41
2018-07-23	S.S. Cash for Gold Inc	Settlement SET20921	34,397.87
2018-07-23	Tree Jewellers Inc	Settlement SET20936	20,071.35
2018-07-24	2457041 Ontario Ltd.	Settlement SET20963	42,376.75
2018-07-24	2474722 Ontario Inc.	Settlement SET20948	33,021.95
2018-07-24	2500028 Ontario Inc.	Settlement SET20947	33,024.29
2018-07-24	2575720 Ontario Inc.	Settlement SET20967	33,639.45
2018-07-24	9710990 Canada Inc.	Settlement SET20956	52,465.53
2018-07-24	Empire Trading Limited	Settlement SET20958	40,265.16
2018-07-24	S.A. Rajgan Enterprises Corp.	Settlement SET20969	33,987.85
2018-07-24	S.S. Cash for Gold Inc	Settlement SET20954	21,590.14
2018-07-25	92957216 Quebec Inc.	Settlement SET20983	32,697.99
2018-07-25	9324-5371 Quebec Inc	Settlement SET20990	41,594.41
2018-07-25	9348417 CANADA INC	Settlement SET20992	20,133.49
2018-07-25	9896643 Canada Inc.	Settlement SET20995	33,336.94
2018-07-25	9982132 Canada Inc.	Settlement SET20978	40,409.33
2018-07-25	Ace of Gold Inc	Settlement SET20975	13,471.90
2018-07-25	9346-8460 Quebec Inc.	Settlement SET20985	45,437.86
2018-07-25	Bijouterie Safa Inc	Settlement SET20981	14,954.55
2018-07-25	Bijouterie Yakona Inc	Settlement SET20984	34,181.16
2018-07-25	Elite Precious Metal Exchange Inc.	Settlement SET20989	6,559.41
2018-07-25	Fast Money Auction Inc.	Settlement SET20977	26,184.47
2018-07-25	Fast Money Auction Inc.	Settlement SET20994	26,133.51
2018-07-25	S.S. Cash for Gold Inc	Settlement SET20976	23,244.26
2018-07-25	Sam Bijouterie Inc.	Settlement SET20982	38,004.85
2018-07-25	SH Refining Ltd.	Settlement SET20974	32,572.41
2018-07-26	2337980 Ontario Inc.	Settlement SET21002	46,596.16
2018-07-26	2417916 Ontario Inc.	Settlement SET21015	82,732.39
2018-07-26	8561648 Canada Inc	Settlement SET21004	45,336.98
2018-07-26	9710990 Canada Inc.	Settlement SET21016	58,759.48
2018-07-26	9776087 Canada Inc.	Settlement SET21008	40,165.58
2018-07-26	9839143 Canada Inc.	Settlement SET21017	33,346.17
2018-07-26	Empire Trading Limited	Settlement SET21005	40,037.53
2018-07-26	GoldBrex International Inc	Settlement SET21003	6,608.16
2018-07-26	GoldBrex International Inc	Settlement SET21023	6,578.26
2018-07-26	Talus Gold Inc.	Settlement SET21007	23,208.90
2018-07-27	2466778 Ontario Inc	Settlement SET21052	12,534.21

Posting Date	Vendor Name	Description	ITC Denied
2018-07-27	2474722 Ontario Inc.	Settlement SET21029	32,649.24
2018-07-27	2500028 Ontario Inc.	Settlement SET21028	32,575.92
2018-07-27	8561648 Canada Inc	Settlement SET21042	58,746.87
2018-07-27	92957216 Quebec Inc.	Settlement SET21034	51,252.76
2018-07-27	Bal Jewellers & Trading Inc.	Settlement SET21045	7,662.33
2018-07-27	Elite Precious Metal Exchange Inc.	Settlement SET21031	39,990.21
2018-07-27	Fast Money Auction Inc.	Settlement SET21051	20,095.66
2018-07-27	GoldBrex International Inc	Settlement SET21027	6,938.49
2018-07-27	GoldBrex International Inc	Settlement SET21044	6,539.39
2018-07-27	9989676 Canada Inc.	Settlement SET21047	46,434.70
2018-07-27	S.A. Rajgan Enterprises Corp.	Settlement SET21041	27,460.55
2018-07-27	S.S. Cash for Gold Inc	Settlement SET21030	18,498.61
2018-07-27	SH Refining Ltd.	Settlement SET21033	25,719.98
2018-07-30	1994930 Ontario Inc.	Settlement SET21071	14,340.30
2018-07-30	2337980 Ontario Inc.	Settlement SET21074	39,590.20
2018-07-30	9776087 Canada Inc.	Settlement SET21076	42,942.12
2018-07-30	9346-8460 Quebec Inc.	Settlement SET21068	50,894.09
2018-07-30	Bijouterie Safa Inc	Settlement SET21062	18,400.46
2018-07-30	Bijouterie Yakona Inc	Settlement SET21067	31,174.00
2018-07-30	Fast Money Auction Inc.	Settlement SET21059	51,693.59
2018-07-30	Galaxy Precious Metals Corp.	Settlement SET21060	36,673.13
2018-07-30	GoldBrex International Inc	Settlement SET21054	6,521.71
2018-07-30	GoldBrex International Inc	Settlement SET21073	6,534.32
2018-07-30	Ohannes Khatchirian	Settlement SET21072	22,730.11
2018-07-30	S.S. Cash for Gold Inc	Settlement SET21055	27,058.07
2018-07-30	Sam Bijouterie Inc.	Settlement SET21066	31,309.46
2018-07-31	2457041 Ontario Ltd.	Settlement SET21106	27,529.71
2018-07-31	2474722 Ontario Inc.	Settlement SET21083	19,548.49
2018-07-31	2500028 Ontario Inc.	Settlement SET21084	32,517.03
2018-07-31	2575720 Ontario Inc.	Settlement SET21107	22,795.50
2018-07-31	8561648 Canada Inc	Settlement SET21108	51,594.01
2018-07-31	9982132 Canada Inc.	Settlement SET21082	39,776.62
2018-07-31	Elite Precious Metal Exchange Inc.	Settlement SET21103	39,786.50
2018-07-31	Empire Trading Limited	Settlement SET21095	33,215.26
2018-07-31	GoldBrex International Inc	Credit Memo 113749	(10,855.78)
2018-07-31	M.A.C Precious Metal Refining Inc	Settlement SET21105	35,579.57
2018-07-31	S.S. Cash for Gold Inc	Settlement SET21081	25,806.69
2018-07-31	Talus Gold Inc.	Settlement SET21096	13,168.09
2018-07-31	Tree Jewellers Inc	Settlement SET21102	19,772.35
Total for Period Ended 2018-07-31			\$ 5,884,757.19
2018-08-01	2417916 Ontario Inc.	Settlement SET21120	\$ 65,767.52
2018-08-01	2466778 Ontario Inc	Settlement SET21118	6,608.55
2018-08-01	8958238 Canada Inc	Settlement SET21113	38,368.33
2018-08-01	92957216 Quebec Inc.	Settlement SET21116	51,167.35
2018-08-01	9324-5371 Quebec Inc	Settlement SET21130	35,887.28
2018-08-01	9437690 Canada Inc	Settlement SET21123	42,785.34
2018-08-01	9710990 Canada Inc.	Settlement SET21129	51,000.43
2018-08-01	Elite Precious Metal Exchange Inc.	Settlement SET21115	39,587.21
2018-08-01	Fast Money Auction Inc.	Settlement SET21126	25,527.58
2018-08-01	S.A. Rajgan Enterprises Corp.	Settlement SET21117	33,309.25
2018-08-01	S.S. Cash for Gold Inc	Settlement SET21112	14,039.09
2018-08-01	SH Refining Ltd.	Settlement SET21111	31,900.70
2018-08-02	2276230 Ontario Inc.	Settlement SET21147	32,530.16
2018-08-02	2466778 Ontario Inc	Settlement SET21146	13,579.41
2018-08-02	8561648 Canada Inc	Settlement SET21135	51,013.69
2018-08-02	9710990 Canada Inc.	Settlement SET21133	57,808.01
2018-08-02	9982132 Canada Inc.	Settlement SET21139	39,457.47
2018-08-02	9346-8460 Quebec Inc.	Settlement SET21142	56,748.38
2018-08-02	Bijouterie Safa Inc	Settlement SET21143	18,125.90
2018-08-02	Bijouterie Yakona Inc	Settlement SET21145	34,156.20
2018-08-02	GoldBrex International Inc	Settlement SET21134	6,474.39
2018-08-02	S.S. Cash for Gold Inc	Settlement SET21131	13,376.61
2018-08-02	Sam Bijouterie Inc.	Settlement SET21144	34,171.15
2018-08-03	2474722 Ontario Inc.	Settlement SET21155	33,370.61
2018-08-03	2500028 Ontario Inc.	Settlement SET21156	25,546.04
2018-08-03	2578202 Ontario Inc	Settlement SET21163	20,530.90
2018-08-03	2602265 Ontario Inc.	Settlement SET21169	33,193.29
2018-08-03	Empire Trading Limited	Settlement SET21173	39,380.25
2018-08-03	Fast Money Auction Inc.	Settlement SET21159	39,128.70
2018-08-03	GoldBrex International Inc	Settlement SET21157	4,689.23
2018-08-03	MC Gold Refining Inc	Settlement SET21166	31,874.31
2018-08-03	9989676 Canada Inc.	Settlement SET21158	59,134.66

Posting Date	Vendor Name	Description	ITC Denied
2018-08-03	S.S. Cash for Gold Inc	Settlement SET21154	13,983.19
2018-08-07	2457041 Ontario Ltd.	Settlement SET21178	40,487.33
2018-08-07	92957216 Quebec Inc.	Settlement SET21185	56,925.05
2018-08-07	9710990 Canada Inc.	Settlement SET21176	50,905.66
2018-08-07	Ace of Gold Inc	Settlement SET21174	15,312.70
2018-08-07	9346-8460 Quebec Inc.	Settlement SET21187	57,071.30
2018-08-07	Bijouterie Safa Inc	Settlement SET21186	12,424.10
2018-08-07	Elite Precious Metal Exchange Inc.	Settlement SET21189	39,358.80
2018-08-07	Empire Trading Limited	Settlement SET21179	39,408.85
2018-08-07	MC Gold Refining Inc	Settlement SET21188	19,188.00
2018-08-07	S.S. Cash for Gold Inc	Settlement SET21177	9,758.45
2018-08-07	SH Refining Ltd.	Settlement SET21175	19,095.31
2018-08-08	2337980 Ontario Inc.	Settlement SET21201	52,606.71
2018-08-08	2417916 Ontario Inc.	Settlement SET21193	52,684.06
2018-08-08	8561648 Canada Inc	Settlement SET21196	50,516.70
2018-08-08	8958238 Canada Inc	Settlement SET21210	49,964.85
2018-08-08	9324-5371 Quebec Inc	Settlement SET21208	41,989.35
2018-08-08	9437690 Canada Inc	Settlement SET21209	37,900.98
2018-08-08	9710990 Canada Inc.	Settlement SET21194	44,497.05
2018-08-08	9776087 Canada Inc.	Settlement SET21211	39,771.55
2018-08-08	9982132 Canada Inc.	Settlement SET21205	33,006.61
2018-08-08	Fast Money Auction Inc.	Settlement SET21217	39,961.74
2018-08-08	GoldBrex International Inc	Settlement SET21213	4,391.66
2018-08-08	GoldBrex International Inc	Settlement SET21218	2,600.91
2018-08-08	9989676 Canada Inc.	Settlement SET21215	52,792.22
2018-08-08	S.A. Rajgan Enterprises Corp.	Settlement SET21212	26,352.95
2018-08-08	S.S. Cash for Gold Inc	Settlement SET21197	22,744.93
2018-08-09	2474722 Ontario Inc.	Settlement SET21228	19,107.01
2018-08-09	2500028 Ontario Inc.	Settlement SET21227	25,967.37
2018-08-09	2575720 Ontario Inc.	Settlement SET21244	33,310.81
2018-08-09	8561648 Canada Inc	Settlement SET21241	50,160.76
2018-08-09	8958238 Canada Inc	Settlement SET21233	41,408.12
2018-08-09	9348417 CANADA INC	Settlement SET21240	33,131.80
2018-08-09	9437690 Canada Inc	Settlement SET21223	57,232.11
2018-08-09	Bijouterie Yakona Inc	Settlement SET21237	36,775.05
2018-08-09	2103710 Ontario Inc.	Settlement SET21231	13,981.89
2018-08-09	Elite Precious Metal Exchange Inc.	Settlement SET21225	26,402.61
2018-08-09	Empire Trading Limited	Settlement SET21229	33,056.92
2018-08-09	Fast Money Auction Inc.	Settlement SET21230	39,893.88
2018-08-09	GoldBrex International Inc	Settlement SET21247	4,451.85
2018-08-09	MC Gold Refining Inc	Settlement SET21221	25,640.68
2018-08-09	S.A. Rajgan Enterprises Corp.	Settlement SET21232	19,267.43
2018-08-09	S.S. Cash for Gold Inc	Settlement SET21224	11,594.70
2018-08-09	Sam Bijouterie Inc.	Settlement SET21238	49,493.60
2018-08-09	Talus Gold Inc.	Settlement SET21222	33,008.82
2018-08-10	2578202 Ontario Inc	Settlement SET21261	26,806.65
2018-08-10	2602265 Ontario Inc.	Settlement SET21267	33,643.35
2018-08-10	8561648 Canada Inc	Settlement SET21251	32,124.69
2018-08-10	92957216 Quebec Inc.	Settlement SET21254	25,447.11
2018-08-10	9324-5371 Quebec Inc	Settlement SET21260	42,027.44
2018-08-10	9982132 Canada Inc.	Settlement SET21256	46,531.16
2018-08-10	9346-8460 Quebec Inc.	Settlement SET21255	44,575.70
2018-08-10	Bijouterie Safa Inc	Settlement SET21257	12,019.80
2018-08-10	Fast Money Auction Inc.	Settlement SET21263	25,489.23
2018-08-10	Galaxy Precious Metals Corp.	Settlement SET21271	21,027.50
2018-08-10	GoldBrex International Inc	Settlement SET21269	5,539.56
2018-08-10	M.A.C Precious Metal Refining Inc	Settlement SET21270	19,843.85
2018-08-10	S.S. Cash for Gold Inc	Settlement SET21252	20,658.17
2018-08-10	SH Refining Ltd.	Settlement SET21250	32,194.63
2018-08-10	Tree Jewellers Inc	Settlement SET21259	33,061.60
2018-08-13	9896643 Canada Inc.	Settlement SET21281	26,192.01
2018-08-13	9839143 Canada Inc.	Settlement SET21280	19,646.77
2018-08-13	Bijouterie Yakona Inc	Settlement SET21286	49,617.10
2018-08-13	Elite Precious Metal Exchange Inc.	Settlement SET21293	39,071.24
2018-08-13	Empire Trading Limited	Settlement SET21284	39,195.26
2018-08-13	Fast Money Auction Inc.	Settlement SET21289	44,557.24
2018-08-13	GoldBrex International Inc	Settlement SET21294	16,783.91
2018-08-13	MC Gold Refining Inc	Settlement SET21274	44,664.49
2018-08-13	S.A. Rajgan Enterprises Corp.	Settlement SET21290	13,006.76
2018-08-13	S.S. Cash for Gold Inc	Settlement SET21276	23,364.51
2018-08-13	Sam Bijouterie Inc.	Settlement SET21285	37,133.85
2018-08-14	2276230 Ontario Inc.	Settlement SET21310	77,429.43
2018-08-14	2337980 Ontario Inc.	Settlement SET21312	39,421.20

Posting Date	Vendor Name	Description	ITC Denied
2018-08-14	2466778 Ontario Inc	Settlement SET21311	12,693.85
2018-08-14	2474722 Ontario Inc.	Settlement SET21304	32,392.10
2018-08-14	2500028 Ontario Inc.	Settlement SET21305	31,847.92
2018-08-14	8561648 Canada Inc	Settlement SET21314	37,553.75
2018-08-14	9710990 Canada Inc.	Settlement SET21300	50,181.17
2018-08-14	9982132 Canada Inc.	Settlement SET21309	32,679.79
2018-08-14	Elite Precious Metal Exchange Inc.	Settlement SET21303	9,509.89
2018-08-14	GoldBrex International Inc	Settlement SET21299	15,348.19
2018-08-14	S.S. Cash for Gold Inc	Settlement SET21298	6,999.20
2018-08-14	S.S. Cash for Gold Inc	Settlement SET21306	6,483.36
2018-08-14	SH Refining Ltd.	Settlement SET21301	25,379.25
2018-08-15	2276230 Ontario Inc.	Settlement SET21339	19,136.26
2018-08-15	2457041 Ontario Ltd.	Settlement SET21322	33,660.25
2018-08-15	2575720 Ontario Inc.	RCredit for SET21321	(33,660.25)
2018-08-15	2575720 Ontario Inc.	Settlement SET21321	33,660.25
2018-08-15	8561648 Canada Inc	Settlement SET21326	50,152.18
2018-08-15	8958238 Canada Inc	Settlement SET21343	48,643.27
2018-08-15	92957216 Quebec Inc.	Settlement SET21335	37,051.04
2018-08-15	9324-5371 Quebec Inc	Settlement SET21342	28,725.84
2018-08-15	9710990 Canada Inc.	Settlement SET21341	50,934.00
2018-08-15	2388905 Ontario Inc.	Settlement SET21348	15,441.92
2018-08-15	9346-8460 Quebec Inc.	Settlement SET21334	43,216.42
2018-08-15	Bijouterie Safa Inc	Settlement SET21338	15,473.38
2018-08-15	GoldBrex International Inc	Settlement SET21325	3,282.89
2018-08-15	S.S. Cash for Gold Inc	Settlement SET21323	15,511.73
2018-08-16	1994930 Ontario Inc.	Settlement SET21354	21,533.85
2018-08-16	2575720 Ontario Inc.	Settlement SET21371	26,023.40
2018-08-16	8958238 Canada Inc	Settlement SET21353	40,830.01
2018-08-16	9437690 Canada Inc	Settlement SET21358	43,588.35
2018-08-16	9710990 Canada Inc.	Settlement SET21350	33,045.74
2018-08-16	9982132 Canada Inc.	Settlement SET21369	45,074.12
2018-08-16	Bijouterie Yakona Inc	Settlement SET21360	30,653.35
2018-08-16	Empire Trading Limited	Settlement SET21351	38,888.33
2018-08-16	Galaxy Precious Metals Corp.	Settlement SET21368	20,815.21
2018-08-16	GoldBrex International Inc	Settlement SET21356	3,140.02
2018-08-16	Ohannes Khatchirian	Settlement SET21355	20,952.49
2018-08-16	M.A.C Precious Metal Refining Inc	Settlement SET21366	35,446.71
2018-08-16	MC Gold Refining Inc	Settlement SET21349	18,828.42
2018-08-16	S.A. Rajgan Enterprises Corp.	Settlement SET21365	33,091.37
2018-08-16	S.S. Cash for Gold Inc	Settlement SET21352	18,382.91
2018-08-16	Sam Bijouterie Inc.	Settlement SET21362	24,473.15
2018-08-17	2474722 Ontario Inc.	Settlement SET21378	12,726.35
2018-08-17	2500028 Ontario Inc.	Settlement SET21379	18,567.64
2018-08-17	2578202 Ontario Inc	Settlement SET21391	18,365.10
2018-08-17	2578202 Ontario Inc	Settlement SET21392	7,038.20
2018-08-17	2602265 Ontario Inc.	Settlement SET21397	32,429.15
2018-08-17	8561648 Canada Inc	Settlement SET21380	15,563.34
2018-08-17	92957216 Quebec Inc.	Settlement SET21383	37,127.48
2018-08-17	9324-5371 Quebec Inc	Settlement SET21403	28,890.81
2018-08-17	9437690 Canada Inc	Settlement SET21376	49,725.13
2018-08-17	9776087 Canada Inc.	Settlement SET21398	44,627.05
2018-08-17	9346-8460 Quebec Inc.	Settlement SET21384	37,053.25
2018-08-17	Bijouterie Safa Inc	Settlement SET21385	11,822.59
2018-08-17	Elite Precious Metal Exchange Inc.	Settlement SET21377	25,690.08
2018-08-17	GoldBrex International Inc	Settlement SET21386	518.57
2018-08-17	GoldBrex International Inc	Settlement SET21387	2,924.74
2018-08-17	9989676 Canada Inc.	Settlement SET21402	45,074.25
2018-08-17	S.S. Cash for Gold Inc	Settlement SET21374	9,761.31
2018-08-17	SH Refining Ltd.	Settlement SET21373	24,923.73
2018-08-20	2474722 Ontario Inc.	Settlement SET21409	37,881.48
2018-08-20	2500028 Ontario Inc.	Settlement SET21408	31,543.85
2018-08-20	9839143 Canada Inc.	Settlement SET21414	29,042.00
2018-08-20	Bijouterie Yakona Inc	Settlement SET21413	34,881.60
2018-08-20	Elite Precious Metal Exchange Inc.	Settlement SET21418	22,510.93
2018-08-20	Empire Trading Limited	Settlement SET21407	32,486.35
2018-08-20	Fast Money Auction Inc.	Settlement SET21420	45,428.24
2018-08-20	MC Gold Refining Inc	Settlement SET21405	25,177.10
2018-08-20	S.S. Cash for Gold Inc	Settlement SET21406	9,442.42
2018-08-20	Sam Bijouterie Inc.	Settlement SET21412	32,659.90
2018-08-20	Talus Gold Inc.	Settlement SET21411	29,058.51
2018-08-21	2337980 Ontario Inc.	Settlement SET21426	45,042.01
2018-08-21	2417916 Ontario Inc.	Settlement SET21422	96,575.31
2018-08-21	8561648 Canada Inc	Settlement SET21435	26,628.29

Posting Date	Vendor Name	Description	ITC Denied
2018-08-21	9437690 Canada Inc	Settlement SET21433	30,497.09
2018-08-21	9710990 Canada Inc.	Settlement SET21424	56,341.61
2018-08-21	9982132 Canada Inc.	Settlement SET21432	25,792.91
2018-08-21	Tree Jewellers Inc	Settlement SET21423	29,206.32
2018-08-22	2457041 Ontario Ltd.	Settlement SET21460	40,367.73
2018-08-22	8561648 Canada Inc	Settlement SET21451	30,140.50
2018-08-22	8958238 Canada Inc	Settlement SET21452	31,473.65
2018-08-22	92957216 Quebec Inc.	Settlement SET21447	25,108.85
2018-08-22	9324-5371 Quebec Inc	Settlement SET21456	29,964.22
2018-08-22	9437690 Canada Inc	Settlement SET21445	29,523.91
2018-08-22	9710990 Canada Inc.	Settlement SET21438	45,797.70
2018-08-22	9982132 Canada Inc.	Settlement SET21444	32,478.55
2018-08-22	Ace of Gold Inc	Settlement SET21437	19,475.30
2018-08-22	9346-8460 Quebec Inc.	Settlement SET21446	37,633.05
2018-08-22	Bijouterie Safa Inc	Settlement SET21448	11,939.72
2018-08-22	Fast Money Auction Inc.	Settlement SET21450	37,699.09
2018-08-22	S.S. Cash for Gold Inc	Settlement SET21442	12,488.97
2018-08-22	SH Refining Ltd.	Settlement SET21439	25,225.98
2018-08-23	1994930 Ontario Inc.	Settlement SET21469	3,974.10
2018-08-23	2276230 Ontario Inc.	Settlement SET21471	44,976.10
2018-08-23	2575720 Ontario Inc.	Settlement SET21482	33,086.17
2018-08-23	8561648 Canada Inc	Settlement SET21465	26,711.36
2018-08-23	8958238 Canada Inc	Settlement SET21466	29,927.17
2018-08-23	9437690 Canada Inc	Settlement SET21464	26,364.26
2018-08-23	9710990 Canada Inc.	Settlement SET21463	45,752.59
2018-08-23	Bijouterie Yakona Inc	Settlement SET21472	24,328.20
2018-08-23	Elite Precious Metal Exchange Inc.	Settlement SET21468	32,520.02
2018-08-23	Galaxy Precious Metals Corp.	Settlement SET21476	28,830.75
2018-08-23	Ohannes Khatchirian	Settlement SET21475	19,724.64
2018-08-23	MC Gold Refining Inc	Settlement SET21470	25,114.05
2018-08-23	9989676 Canada Inc.	Settlement SET21478	45,296.03
2018-08-23	S.S. Cash for Gold Inc	Settlement SET21467	12,904.58
2018-08-23	Sam Bijouterie Inc.	Settlement SET21474	24,209.25
2018-08-24	2466778 Ontario Inc	Settlement SET21507	45,639.36
2018-08-24	2474722 Ontario Inc.	Settlement SET21488	31,686.46
2018-08-24	2500028 Ontario Inc.	RCredit for SET21486	(32,324.50)
2018-08-24	2500028 Ontario Inc.	Settlement SET21486	32,324.50
2018-08-24	2500028 Ontario Inc.	Settlement SET21487	31,560.88
2018-08-24	8561648 Canada Inc	Settlement SET21492	36,202.40
2018-08-24	92957216 Quebec Inc.	Settlement SET21498	27,418.30
2018-08-24	9324-5371 Quebec Inc	Settlement SET21500	41,797.08
2018-08-24	9747583 Canada Ltd	Settlement SET21491	44,279.95
2018-08-24	9896643 Canada Inc.	Settlement SET21511	35,938.89
2018-08-24	9346-8460 Quebec Inc.	Settlement SET21499	30,453.15
2018-08-24	Bijouterie Safa Inc	Settlement SET21501	16,976.05
2018-08-24	Empire Trading Limited	Settlement SET21493	39,254.54
2018-08-24	Fast Money Auction Inc.	Settlement SET21504	38,032.15
2018-08-24	9372-8483 Quebec Inc.	Settlement SET21497	11,792.69
2018-08-24	S.A. Rajgan Enterprises Corp.	Settlement SET21485	32,420.31
2018-08-24	S.S. Cash for Gold Inc	Settlement SET21490	13,629.85
2018-08-24	SH Refining Ltd.	Settlement SET21484	25,290.20
2018-08-27	9747583 Canada Ltd	Settlement SET21536	27,092.00
2018-08-27	9776087 Canada Inc.	Settlement SET21520	39,683.15
2018-08-27	2388905 Ontario Inc.	Settlement SET21532	19,062.55
2018-08-27	Bijouterie Yakona Inc	Settlement SET21527	30,709.90
2018-08-27	1503329 Ontario Ltd.	Settlement SET21533	19,208.15
2018-08-27	MC Gold Refining Inc	Settlement SET21513	25,376.00
2018-08-27	S.S. Cash for Gold Inc	Settlement SET21515	13,169.26
2018-08-27	Sam Bijouterie Inc.	Settlement SET21526	30,909.45
2018-08-28	2337980 Ontario Inc.	Settlement SET21546	38,976.60
2018-08-28	2417916 Ontario Inc.	Settlement SET21557	45,115.72
2018-08-28	8561648 Canada Inc	Settlement SET21548	30,698.85
2018-08-28	8958238 Canada Inc	Settlement SET21547	31,184.40
2018-08-28	92957216 Quebec Inc.	Settlement SET21542	31,274.49
2018-08-28	9437690 Canada Inc	Settlement SET21544	31,357.95
2018-08-28	9710990 Canada Inc.	Settlement SET21538	58,686.29
2018-08-28	9346-8460 Quebec Inc.	Settlement SET21543	37,609.00
2018-08-28	Bijouterie Safa Inc	Settlement SET21545	11,445.59
2018-08-28	Elite Precious Metal Exchange Inc.	Settlement SET21549	39,050.70
2018-08-28	Galaxy Precious Metals Corp.	Settlement SET21556	25,944.10
2018-08-28	S.S. Cash for Gold Inc	Settlement SET21539	10,223.59
2018-08-28	SH Refining Ltd.	Settlement SET21537	31,495.36
2018-08-29	1994930 Ontario Inc.	Settlement SET21573	15,493.27

Posting Date	Vendor Name	Description	ITC Denied
2018-08-29	2276230 Ontario Inc.	Settlement SET21587	45,159.66
2018-08-29	2575720 Ontario Inc.	Settlement SET21580	26,046.80
2018-08-29	8561648 Canada Inc	Settlement SET21569	29,398.20
2018-08-29	8958238 Canada Inc	Settlement SET21568	23,955.75
2018-08-29	9324-5371 Quebec Inc	Settlement SET21579	42,771.56
2018-08-29	9437690 Canada Inc	Settlement SET21567	26,461.37
2018-08-29	9710990 Canada Inc.	Settlement SET21566	39,019.50
2018-08-29	9747583 Canada Ltd	Settlement SET21578	33,341.10
2018-08-29	9896643 Canada Inc.	Settlement SET21570	32,555.90
2018-08-29	Fast Money Auction Inc.	Settlement SET21581	37,819.21
2018-08-29	Ohannes Khatchirian	Settlement SET21577	24,253.45
2018-08-29	S.A. Rajgan Enterprises Corp.	Settlement SET21582	32,555.64
2018-08-30	2417916 Ontario Inc.	Settlement SET21597	45,205.29
2018-08-30	2457041 Ontario Ltd.	Settlement SET21589	28,039.05
2018-08-30	8561648 Canada Inc	Settlement SET21593	28,175.42
2018-08-30	92957216 Quebec Inc.	Settlement SET21599	40,805.70
2018-08-30	9437690 Canada Inc	Settlement SET21591	19,356.74
2018-08-30	9747583 Canada Ltd	Settlement SET21594	39,046.80
2018-08-30	9982132 Canada Inc.	Settlement SET21607	38,936.04
2018-08-30	9346-8460 Quebec Inc.	Settlement SET21598	50,671.79
2018-08-30	Bijouterie Safa Inc	Settlement SET21602	12,593.23
2018-08-30	Bijouterie Yakona Inc	Settlement SET21604	30,769.70
2018-08-30	Empire Trading Limited	Settlement SET21590	39,115.31
2018-08-30	1503329 Ontario Ltd.	Settlement SET21600	18,911.88
2018-08-30	MC Gold Refining Inc	Settlement SET21595	25,241.97
2018-08-30	9372-8483 Quebec Inc.	Settlement SET21601	17,972.63
2018-08-30	S.S. Cash for Gold Inc	Settlement SET21592	13,749.45
2018-08-30	Sam Bijouterie Inc.	Settlement SET21603	30,802.20
2018-08-30	Talus Gold Inc.	Settlement SET21605	32,215.43
2018-08-31	2337980 Ontario Inc.	Settlement SET21621	13,476.06
2018-08-31	8958238 Canada Inc	Settlement SET21618	26,901.29
2018-08-31	9324-5371 Quebec Inc	Settlement SET21619	44,292.82
2018-08-31	9776087 Canada Inc.	Settlement SET21634	34,399.43
2018-08-31	Ace of Gold Inc	Settlement SET21615	19,707.48
2018-08-31	M.A.C Precious Metal Refining Inc	Settlement SET21633	32,512.09
2018-08-31	9989676 Canada Inc.	Settlement SET21636	39,189.15
2018-08-31	S.A. Rajgan Enterprises Corp.	Settlement SET21628	20,868.38
2018-08-31	S.S. Cash for Gold Inc	Settlement SET21617	18,465.20
2018-08-31	SH Refining Ltd.	Settlement SET21614	25,343.37
2018-08-31	Tree Jewellers Inc	Settlement SET21626	32,709.04
Total for Period Ended 2018-08-31			\$ 8,782,974.59
2018-09-04	2417916 Ontario Inc.	Settlement SET21657	\$ 45,757.92
2018-09-04	2457041 Ontario Ltd.	Settlement SET21640	34,044.40
2018-09-04	8561648 Canada Inc	Settlement SET21653	39,813.15
2018-09-04	8958238 Canada Inc	Settlement SET21654	33,023.38
2018-09-04	92957216 Quebec Inc.	Settlement SET21646	37,636.95
2018-09-04	9710990 Canada Inc.	Settlement SET21638	55,350.36
2018-09-04	9747583 Canada Ltd	Settlement SET21655	26,984.36
2018-09-04	9346-8460 Quebec Inc.	Settlement SET21645	50,473.80
2018-09-04	Bijouterie Safa Inc	Settlement SET21647	24,525.54
2018-09-04	Bijouterie Yakona Inc	Settlement SET21651	37,178.31
2018-09-04	Empire Trading Limited	Settlement SET21644	39,328.90
2018-09-04	Fast Money Auction Inc.	Settlement SET21660	19,162.26
2018-09-04	1503329 Ontario Ltd.	Settlement SET21652	25,377.30
2018-09-04	MC Gold Refining Inc	Settlement SET21639	25,424.10
2018-09-04	S.S. Cash for Gold Inc	Settlement SET21641	12,721.15
2018-09-04	Sam Bijouterie Inc.	Settlement SET21650	37,370.32
2018-09-05	2417916 Ontario Inc.	Settlement SET21681	45,670.69
2018-09-05	92957216 Quebec Inc.	Settlement SET21676	37,548.68
2018-09-05	9324-5371 Quebec Inc.	Settlement SET21682	45,027.32
2018-09-05	9437690 Canada Inc	Settlement SET21672	33,234.50
2018-09-05	9747583 Canada Ltd	Settlement SET21666	27,205.49
2018-09-05	9982132 Canada Inc.	Settlement SET21680	39,411.45
2018-09-05	2388905 Ontario Inc.	Settlement SET21677	19,055.92
2018-09-05	9346-8460 Quebec Inc.	Settlement SET21674	44,119.53
2018-09-05	Bijouterie Safa Inc	Settlement SET21678	24,269.31
2018-09-05	S.S. Cash for Gold Inc	Settlement SET21665	12,974.39
2018-09-05	SH Refining Ltd.	Settlement SET21664	25,373.66
2018-09-06	1994930 Ontario Inc.	Settlement SET21689	13,372.45
2018-09-06	2276230 Ontario Inc.	Settlement SET21706	45,775.60
2018-09-06	2575720 Ontario Inc.	Settlement SET21711	33,182.63
2018-09-06	8561648 Canada Inc	Settlement SET21686	40,340.04

Posting Date	Vendor Name	Description	ITC Denied
2018-09-06	8958238 Canada Inc	Settlement SET21687	39,586.82
2018-09-06	9437690 Canada Inc	Settlement SET21685	25,428.78
2018-09-06	9710990 Canada Inc.	Settlement SET21688	33,120.49
2018-09-06	9747583 Canada Ltd	Settlement SET21695	26,528.84
2018-09-06	Bijouterie Yakona Inc	Settlement SET21693	43,818.84
2018-09-06	Empire Trading Limited	Settlement SET21696	32,924.84
2018-09-06	Fast Money Auction Inc.	Settlement SET21710	31,987.28
2018-09-06	Ohannes Khatchirian	Settlement SET21691	21,166.60
2018-09-06	M.A.C Precious Metal Refining Inc	Settlement SET21709	26,248.17
2018-09-06	MC Gold Refining Inc	Settlement SET21690	12,786.80
2018-09-06	9989676 Canada Inc.	Settlement SET21704	39,388.44
2018-09-06	S.S. Cash for Gold Inc	Settlement SET21684	8,962.46
2018-09-06	Sam Bijouterie Inc.	Settlement SET21692	43,822.48
2018-09-07	2337980 Ontario Inc.	Settlement SET21729	45,899.10
2018-09-07	2417916 Ontario Inc.	Settlement SET21732	45,652.75
2018-09-07	2457041 Ontario Ltd.	Settlement SET21713	29,532.10
2018-09-07	2474722 Ontario Inc.	Settlement SET21716	38,751.31
2018-09-07	2500028 Ontario Inc.	Settlement SET21715	39,314.47
2018-09-07	92957216 Quebec Inc.	Settlement SET21721	37,632.92
2018-09-07	9324-5371 Quebec Inc	Settlement SET21731	46,256.73
2018-09-07	9776087 Canada Inc.	Settlement SET21724	39,247.13
2018-09-07	9896643 Canada Inc.	Settlement SET21718	26,274.95
2018-09-07	9982132 Canada Inc.	Settlement SET21736	39,480.35
2018-09-07	9346-8460 Quebec Inc.	Settlement SET21722	37,595.61
2018-09-07	Bijouterie Safa Inc	Settlement SET21727	18,201.17
2018-09-07	Galaxy Precious Metals Corp.	Settlement SET21734	26,197.21
2018-09-07	1503329 Ontario Ltd.	Settlement SET21723	21,028.28
2018-09-07	9372-8483 Quebec Inc.	Settlement SET21725	24,614.59
2018-09-07	S.A. Rajgan Enterprises Corp.	Settlement SET21733	32,212.05
2018-09-07	S.S. Cash for Gold Inc	Settlement SET21714	19,098.56
2018-09-10	2276230 Ontario Inc.	Settlement SET21745	46,215.26
2018-09-10	92957216 Quebec Inc.	Settlement SET21752	44,318.95
2018-09-10	9324-5371 Quebec Inc	Settlement SET21757	44,101.07
2018-09-10	9982132 Canada Inc.	Settlement SET21761	39,427.05
2018-09-10	9346-8460 Quebec Inc.	Settlement SET21749	50,583.39
2018-09-10	Bijouterie Safa Inc	Settlement SET21754	5,610.80
2018-09-10	Bijouterie Safa Inc	Settlement SET21756	37,486.02
2018-09-10	Bijouterie Yakona Inc	Settlement SET21759	43,330.95
2018-09-10	Fast Money Auction Inc.	Settlement SET21746	38,316.59
2018-09-10	S.S. Cash for Gold Inc	Settlement SET21742	13,002.60
2018-09-10	Sam Bijouterie Inc.	Settlement SET21758	43,375.80
2018-09-10	Talus Gold Inc.	Settlement SET21753	31,805.80
2018-09-11	2457041 Ontario Ltd.	Settlement SET21775	40,291.81
2018-09-11	8561648 Canada Inc	Settlement SET21794	33,195.11
2018-09-11	8958238 Canada Inc	Settlement SET21789	39,240.63
2018-09-11	9437690 Canada Inc	Settlement SET21790	26,697.06
2018-09-11	9710990 Canada Inc.	Settlement SET21769	39,077.22
2018-09-11	Ace of Gold Inc	Settlement SET21771	26,012.35
2018-09-11	Empire Trading Limited	Settlement SET21784	39,319.15
2018-09-11	Fast Money Auction Inc.	Settlement SET21774	38,176.58
2018-09-11	1503329 Ontario Ltd.	Settlement SET21785	25,436.45
2018-09-11	9372-8483 Quebec Inc.	Settlement SET21778	27,792.70
2018-09-11	S.A. Rajgan Enterprises Corp.	Settlement SET21780	26,604.89
2018-09-11	S.S. Cash for Gold Inc	Settlement SET21770	13,029.25
2018-09-11	SH Refining Ltd.	Settlement SET21768	25,232.87
2018-09-12	2337980 Ontario Inc.	Settlement SET21813	45,290.57
2018-09-12	2417916 Ontario Inc.	Settlement SET21808	58,955.91
2018-09-12	2575720 Ontario Inc.	Settlement SET21815	25,377.95
2018-09-12	8561648 Canada Inc	Settlement SET21811	46,979.79
2018-09-12	8958238 Canada Inc	Settlement SET21803	32,508.84
2018-09-12	92957216 Quebec Inc.	Settlement SET21807	43,673.50
2018-09-12	9324-5371 Quebec Inc	Settlement SET21817	47,405.54
2018-09-12	9437690 Canada Inc	Settlement SET21806	26,006.11
2018-09-12	9710990 Canada Inc.	Settlement SET21798	39,102.05
2018-09-12	2388905 Ontario Inc.	Settlement SET21812	19,015.62
2018-09-12	Bal Jewellers & Trading Inc.	Settlement SET21823	16,463.85
2018-09-12	Bijouterie Safa Inc	Settlement SET21809	30,547.40
2018-09-12	Fast Money Auction Inc.	Settlement SET21800	37,922.17
2018-09-12	MC Gold Refining Inc	Settlement SET21805	25,367.16
2018-09-12	S.S. Cash for Gold Inc	Settlement SET21797	10,689.38
2018-09-12	Tree Jewellers Inc	Settlement SET21816	26,157.43
2018-09-13	1994930 Ontario Inc.	Settlement SET21827	14,701.70
2018-09-13	9437690 Canada Inc	Settlement SET21844	19,678.75

Posting Date	Vendor Name	Description	ITC Denied
2018-09-13	9710990 Canada Inc.	Settlement SET21825	27,064.57
2018-09-13	9776087 Canada Inc.	Settlement SET21849	38,993.37
2018-09-13	9982132 Canada Inc.	Settlement SET21842	39,107.25
2018-09-13	9346-8460 Quebec Inc.	Settlement SET21839	56,087.59
2018-09-13	Bijouterie Yakona Inc	Settlement SET21846	43,090.32
2018-09-13	Ohannes Khatchirian	Settlement SET21826	20,567.82
2018-09-13	M.A.C Precious Metal Refining Inc	Settlement SET21848	28,458.30
2018-09-13	9989676 Canada Inc.	Settlement SET21843	39,361.79
2018-09-13	S.S. Cash for Gold Inc	Settlement SET21828	8,354.45
2018-09-13	Sam Bijouterie Inc.	Settlement SET21845	42,913.65
2018-09-14	2276230 Ontario Inc.	Settlement SET21852	58,196.32
2018-09-14	2417916 Ontario Inc.	Settlement SET21874	45,247.80
2018-09-14	2474722 Ontario Inc.	Settlement SET21856	38,033.84
2018-09-14	2500028 Ontario Inc.	Settlement SET21857	37,989.77
2018-09-14	2602265 Ontario Inc.	Settlement SET21867	32,345.69
2018-09-14	9324-5371 Quebec Inc	Settlement SET21863	34,278.40
2018-09-14	9896643 Canada Inc.	Settlement SET21871	26,701.35
2018-09-14	9346-8460 Quebec Inc.	Settlement SET21861	18,903.30
2018-09-14	Bijouterie Safa Inc	Settlement SET21862	30,542.85
2018-09-14	Empire Trading Limited	Settlement SET21865	32,690.84
2018-09-14	Galaxy Precious Metals Corp.	Settlement SET21872	20,029.49
2018-09-14	MC Gold Refining Inc	Settlement SET21873	12,578.80
2018-09-14	9372-8483 Quebec Inc.	Settlement SET21860	37,079.90
2018-09-14	S.S. Cash for Gold Inc	Settlement SET21854	13,745.29
2018-09-17	92957216 Quebec Inc.	Settlement SET21888	50,068.85
2018-09-17	9982132 Canada Inc.	Settlement SET21897	39,189.80
2018-09-17	9839143 Canada Inc.	Settlement SET21896	26,520.00
2018-09-17	9346-8460 Quebec Inc.	Settlement SET21886	50,021.92
2018-09-17	Bijouterie Yakona Inc	Settlement SET21891	43,548.05
2018-09-17	S.A. Rajgan Enterprises Corp.	Settlement SET21895	38,887.81
2018-09-17	S.S. Cash for Gold Inc	Settlement SET21876	7,933.25
2018-09-17	Sam Bijouterie Inc.	Settlement SET21890	43,507.88
2018-09-17	Talus Gold Inc.	Settlement SET21885	32,604.00
2018-09-18	8561648 Canada Inc	Settlement SET21912	37,440.00
2018-09-18	8958238 Canada Inc	Settlement SET21906	39,749.06
2018-09-18	9437690 Canada Inc	Settlement SET21909	38,816.83
2018-09-18	9710990 Canada Inc.	Settlement SET21901	39,482.82
2018-09-18	9747583 Canada Ltd	Settlement SET21902	28,660.58
2018-09-18	Ace of Gold Inc	Settlement SET21900	25,967.63
2018-09-18	Bijouterie Safa Inc	Settlement SET21907	30,537.91
2018-09-18	1503329 Ontario Ltd.	Settlement SET21908	25,179.31
2018-09-18	S.S. Cash for Gold Inc	Settlement SET21903	19,064.89
2018-09-19	2457041 Ontario Ltd.	Settlement SET21927	20,740.20
2018-09-19	2576393 Ontario Inc.	Settlement SET21942	4,810.00
2018-09-19	8561648 Canada Inc	Settlement SET21938	35,198.02
2018-09-19	8958238 Canada Inc	Settlement SET21929	36,329.67
2018-09-19	92957216 Quebec Inc.	Settlement SET21933	31,254.60
2018-09-19	9324-5371 Quebec Inc	Settlement SET21937	49,895.69
2018-09-19	9437690 Canada Inc	Settlement SET21925	38,632.10
2018-09-19	9710990 Canada Inc.	Settlement SET21921	32,667.18
2018-09-19	9747583 Canada Ltd	Settlement SET21922	26,854.10
2018-09-19	9346-8460 Quebec Inc.	Settlement SET21932	37,466.00
2018-09-19	Empire Trading Limited	Settlement SET21941	38,929.93
2018-09-19	MC Gold Refining Inc	Settlement SET21931	25,212.85
2018-09-19	9372-8483 Quebec Inc.	Settlement SET21934	38,531.74
2018-09-19	9989676 Canada Inc.	Settlement SET21943	38,936.43
2018-09-19	S.S. Cash for Gold Inc	Settlement SET21924	14,991.86
2018-09-19	SH Refining Ltd.	Settlement SET21920	18,851.30
2018-09-19	Tree Jewellers Inc	Settlement SET21926	19,503.64
2018-09-20	2457041 Ontario Ltd.	Settlement SET21952	27,212.51
2018-09-20	2575720 Ontario Inc.	Settlement SET21965	37,775.01
2018-09-20	8561648 Canada Inc	Settlement SET21955	27,159.08
2018-09-20	9710990 Canada Inc.	Settlement SET21948	32,565.13
2018-09-20	9747583 Canada Ltd	Settlement SET21957	50,403.47
2018-09-20	9896643 Canada Inc.	Settlement SET21969	26,192.66
2018-09-20	9982132 Canada Inc.	Settlement SET21966	39,076.70
2018-09-20	Bijouterie Yakona Inc	Settlement SET21961	49,592.66
2018-09-20	Elite Precious Metal Exchange Inc.	Settlement SET21968	32,647.03
2018-09-20	Galaxy Precious Metals Corp.	Settlement SET21972	25,886.77
2018-09-20	S.S. Cash for Gold Inc	Settlement SET21949	15,788.76
2018-09-20	Sam Bijouterie Inc.	Settlement SET21959	49,591.23
2018-09-21	2466778 Ontario Inc	Settlement SET21987	39,349.05
2018-09-21	2500028 Ontario Inc.	Settlement SET21980	32,794.58

Posting Date	Vendor Name	Description	ITC Denied
2018-09-21	9324-5371 Quebec Inc	Settlement SET21982	49,974.34
2018-09-21	9776087 Canada Inc.	Settlement SET21983	38,869.48
2018-09-21	9346-8460 Quebec Inc.	Settlement SET21986	24,627.72
2018-09-21	Bijouterie Safa Inc	Settlement SET21988	36,277.02
2018-09-21	1503329 Ontario Ltd.	Settlement SET21975	18,797.09
2018-09-21	M.A.C Precious Metal Refining Inc	Settlement SET21996	25,649.13
2018-09-21	S.S. Cash for Gold Inc	Settlement SET21976	15,271.10
2018-09-24	1994930 Ontario Inc.	Settlement SET22002	20,449.00
2018-09-24	2337980 Ontario Inc.	Settlement SET22009	38,582.70
2018-09-24	2474722 Ontario Inc.	Settlement SET22007	26,443.95
2018-09-24	92957216 Quebec Inc.	Settlement SET22006	43,437.55
2018-09-24	9346-8460 Quebec Inc.	Settlement SET22005	24,950.90
2018-09-24	Empire Trading Limited	Settlement SET22010	32,459.70
2018-09-24	Ohannes Khatchirian	Settlement SET22001	21,951.67
2018-09-24	MC Gold Refining Inc	Settlement SET22013	25,099.10
2018-09-24	9372-8483 Quebec Inc.	Settlement SET22008	38,616.24
2018-09-24	S.A. Rajgan Enterprises Corp.	Settlement SET22012	26,000.26
2018-09-24	S.S. Cash for Gold Inc	Settlement SET22000	10,064.99
2018-09-25	8561648 Canada Inc	Settlement SET22038	42,622.84
2018-09-25	8958238 Canada Inc	Settlement SET22039	42,005.73
2018-09-25	9437690 Canada Inc	Settlement SET22037	26,230.10
2018-09-25	9710990 Canada Inc.	Settlement SET22022	39,278.33
2018-09-25	9747583 Canada Ltd	Settlement SET22041	26,202.80
2018-09-25	Bal Jewellers & Trading Inc.	Settlement SET22040	15,350.40
2018-09-25	Bijouterie Yakona Inc	Settlement SET22033	45,981.00
2018-09-25	Elite Precious Metal Exchange Inc.	Settlement SET22025	32,413.81
2018-09-25	Fast Money Auction Inc.	Settlement SET22031	62,993.97
2018-09-25	S.S. Cash for Gold Inc	Settlement SET22021	10,869.17
2018-09-25	Sam Bijouterie Inc.	Settlement SET22034	46,219.55
2018-09-26	8561648 Canada Inc	Settlement SET22062	39,507.13
2018-09-26	8958238 Canada Inc	Settlement SET22047	49,399.35
2018-09-26	9324-5371 Quebec Inc	Settlement SET22053	37,093.68
2018-09-26	9437690 Canada Inc	Settlement SET22061	25,970.10
2018-09-26	9710990 Canada Inc.	Settlement SET22060	32,693.96
2018-09-26	9747583 Canada Ltd	Settlement SET22048	45,634.68
2018-09-26	9982132 Canada Inc.	Settlement SET22055	32,441.50
2018-09-26	9346-8460 Quebec Inc.	Settlement SET22051	37,262.55
2018-09-26	Elite Precious Metal Exchange Inc.	Settlement SET22056	12,589.85
2018-09-26	M.A.C Precious Metal Refining Inc	Settlement SET22064	19,344.00
2018-09-26	9989676 Canada Inc.	Settlement SET22057	32,496.23
2018-09-26	Ora Italia Inc.	Settlement SET22054	13,441.48
2018-09-26	S.S. Cash for Gold Inc	Settlement SET22045	7,623.85
2018-09-26	SH Refining Ltd.	Settlement SET22043	18,742.10
2018-09-27	2337980 Ontario Inc.	Settlement SET22091	38,465.83
2018-09-27	2466778 Ontario Inc	Settlement SET22097	50,986.78
2018-09-27	2575720 Ontario Inc.	Settlement SET22092	26,078.00
2018-09-27	8561648 Canada Inc	Settlement SET22094	20,874.49
2018-09-27	9437690 Canada Inc	Settlement SET22067	25,818.00
2018-09-27	9710990 Canada Inc.	Settlement SET22065	32,722.95
2018-09-27	9747583 Canada Ltd	Settlement SET22093	26,993.98
2018-09-27	2388905 Ontario Inc.	Settlement SET22090	18,766.15
2018-09-27	9839143 Canada Inc.	Settlement SET22096	25,563.07
2018-09-27	Bijouterie Yakona Inc	Settlement SET22085	48,834.50
2018-09-27	Elite Precious Metal Exchange Inc.	Settlement SET22078	45,088.94
2018-09-27	Galaxy Precious Metals Corp.	Settlement SET22095	19,198.01
2018-09-27	1503329 Ontario Ltd.	Settlement SET22072	31,224.70
2018-09-27	MC Gold Refining Inc	Settlement SET22080	18,802.29
2018-09-27	Ora Italia Inc.	Settlement SET22074	9,441.90
2018-09-27	S.A. Rajgan Enterprises Corp.	Settlement SET22081	32,063.20
2018-09-27	S.S. Cash for Gold Inc	Settlement SET22068	14,846.91
2018-09-27	Sam Bijouterie Inc.	Settlement SET22084	49,349.95
2018-09-27	Suhaag Jewellers	Settlement SET22066	6,172.27
2018-09-27	Suhaag Jewellers	Invoice I12270	6,261.32
2018-09-27	Talus Gold Inc.	Settlement SET22079	31,869.50
2018-09-28	2578202 Ontario Inc	Settlement SET22113	19,699.55
2018-09-28	92957216 Quebec Inc.	Settlement SET22106	37,137.75
2018-09-28	9324-5371 Quebec Inc	Settlement SET22120	49,740.34
2018-09-28	9776087 Canada Inc.	Settlement SET22112	38,524.85
2018-09-28	9896643 Canada Inc.	Settlement SET22119	19,208.80
2018-09-28	Ace of Gold Inc	Settlement SET22100	19,405.23
2018-09-28	Bal Jewellers & Trading Inc.	Settlement SET22117	14,925.17
2018-09-28	9346-8460 Quebec Inc.	Settlement SET22104	37,046.10
2018-09-28	Elite Precious Metal Exchange Inc.	Settlement SET22123	64,223.25

Posting Date	Vendor Name	Description	ITC Denied
2018-09-28	Empire Trading Limited	Settlement SET22105	32,216.60
2018-09-28	Ora Italia Inc.	Settlement SET22107	12,374.05
2018-09-28	S.S. Cash for Gold Inc	Settlement SET22102	9,168.64
2018-09-28	Tree Jewellers Inc	Settlement SET22115	25,598.30
Total for Period Ended 2018-09-30			\$ 8,052,022.81
2018-10-01	92957216 Quebec Inc.	Settlement SET22131	\$ 36,752.30
2018-10-01	9346-8460 Quebec Inc.	Settlement SET22130	36,579.40
2018-10-01	Bijouterie Safa Inc	Settlement SET22133	23,512.58
2018-10-01	Bijouterie Yakona Inc	Settlement SET22135	48,243.13
2018-10-01	Fast Money Auction Inc.	Settlement SET22142	37,679.98
2018-10-01	MC Gold Refining Inc	Settlement SET22140	24,608.09
2018-10-01	9372-8483 Quebec Inc.	Settlement SET22132	32,369.35
2018-10-01	S.A. Rajgan Enterprises Corp.	Settlement SET22134	29,700.45
2018-10-01	S.S. Cash for Gold Inc	Settlement SET22128	13,449.02
2018-10-01	Sam Bijouterie Inc.	Settlement SET22137	48,038.51
2018-10-02	8561648 Canada Inc	Settlement SET22163	40,427.01
2018-10-02	8958238 Canada Inc	Settlement SET22161	40,374.49
2018-10-02	9437690 Canada Inc	Settlement SET22156	39,125.19
2018-10-02	9710990 Canada Inc.	Settlement SET22146	38,394.33
2018-10-02	MC Gold Refining Inc	Settlement SET22154	12,496.51
2018-10-02	S.S. Cash for Gold Inc	Settlement SET22149	8,765.51
2018-10-02	SH Refining Ltd.	Settlement SET22159	18,686.85
2018-10-03	2276230 Ontario Inc.	Settlement SET22187	44,813.73
2018-10-03	8561648 Canada Inc	Settlement SET22181	46,965.62
2018-10-03	8958238 Canada Inc	Settlement SET22176	47,121.49
2018-10-03	9324-5371 Quebec Inc	Settlement SET22185	49,681.19
2018-10-03	9437690 Canada Inc	Settlement SET22169	38,637.69
2018-10-03	9710990 Canada Inc.	Settlement SET22168	33,279.87
2018-10-03	9982132 Canada Inc.	Settlement SET22184	38,608.70
2018-10-03	9839143 Canada Inc.	Settlement SET22183	28,329.60
2018-10-03	9346-8460 Quebec Inc.	Settlement SET22174	37,019.58
2018-10-03	Empire Trading Limited	Settlement SET22172	38,647.70
2018-10-03	Ohannes Khatchirian	Settlement SET22173	26,299.26
2018-10-03	S.S. Cash for Gold Inc	Settlement SET22170	15,023.32
2018-10-04	2457041 Ontario Ltd.	Settlement SET22209	39,995.93
2018-10-04	2575720 Ontario Inc.	Settlement SET22195	32,529.38
2018-10-04	9710990 Canada Inc.	Settlement SET22189	32,186.70
2018-10-04	9896643 Canada Inc.	Settlement SET22203	19,331.00
2018-10-04	Bijouterie Yakona Inc	Settlement SET22202	46,035.60
2018-10-04	1503329 Ontario Ltd.	Settlement SET22194	18,777.85
2018-10-04	M.A.C Precious Metal Refining Inc	Settlement SET22204	20,038.20
2018-10-04	9989676 Canada Inc.	Settlement SET22207	51,972.83
2018-10-04	S.A. Rajgan Enterprises Corp.	Settlement SET22206	38,681.76
2018-10-04	S.S. Cash for Gold Inc	Settlement SET22188	12,089.74
2018-10-04	Sam Bijouterie Inc.	Settlement SET22201	45,704.10
2018-10-04	Suhaag Jewellers	Settlement SET22190	6,616.74
2018-10-05	2578202 Ontario Inc	Settlement SET22221	9,971.26
2018-10-05	2578202 Ontario Inc	Settlement SET22222	3,207.62
2018-10-05	92957216 Quebec Inc.	Settlement SET22220	43,490.59
2018-10-05	9776087 Canada Inc.	Settlement SET22226	38,617.54
2018-10-05	9982132 Canada Inc.	Settlement SET22229	38,790.18
2018-10-05	9346-8460 Quebec Inc.	Settlement SET22219	43,259.45
2018-10-05	Bijouterie Safa Inc	Settlement SET22225	30,215.90
2018-10-05	Elite Precious Metal Exchange Inc.	Settlement SET22216	45,363.50
2018-10-05	Empire Trading Limited	Settlement SET22215	32,431.10
2018-10-05	Galaxy Precious Metals Corp.	Settlement SET22217	25,815.66
2018-10-05	9372-8483 Quebec Inc.	Settlement SET22223	31,725.46
2018-10-05	S.S. Cash for Gold Inc	Settlement SET22212	11,531.13
2018-10-09	8561648 Canada Inc	Settlement SET22244	40,226.55
2018-10-09	8958238 Canada Inc	Settlement SET22238	40,241.50
2018-10-09	9710990 Canada Inc.	Settlement SET22233	44,906.81
2018-10-09	9839143 Canada Inc.	Settlement SET22248	22,336.08
2018-10-09	MC Gold Refining Inc	Settlement SET22232	24,950.12
2018-10-09	S.S. Cash for Gold Inc	Settlement SET22234	14,723.54
2018-10-09	SH Refining Ltd.	Settlement SET22247	24,878.10
2018-10-09	Talus Gold Inc.	Settlement SET22242	25,546.17
2018-10-09	Tree Jewellers Inc	Settlement SET22240	12,799.80
2018-10-10	8561648 Canada Inc	Settlement SET22261	45,181.76
2018-10-10	8958238 Canada Inc	Settlement SET22255	44,564.13
2018-10-10	9324-5371 Quebec Inc	Settlement SET22266	49,440.56
2018-10-10	9437690 Canada Inc	Settlement SET22260	25,853.88
2018-10-10	9710990 Canada Inc.	Settlement SET22257	45,204.77

Posting Date	Vendor Name	Description	ITC Denied
2018-10-10	Ace of Gold Inc	Settlement SET22254	25,507.43
2018-10-10	Bijouterie Yakona Inc	Settlement SET22264	45,414.72
2018-10-10	Fast Money Auction Inc.	Settlement SET22269	56,244.50
2018-10-10	1503329 Ontario Ltd.	Settlement SET22262	24,922.43
2018-10-10	9989676 Canada Inc.	Settlement SET22271	38,743.90
2018-10-10	S.A. Rajgan Enterprises Corp.	Settlement SET22270	32,264.18
2018-10-10	S.S. Cash for Gold Inc	Settlement SET22258	12,820.08
2018-10-10	Sam Bijouterie Inc.	Settlement SET22263	45,702.28
2018-10-10	Suhaag Jewellers	Settlement SET22252	5,990.66
2018-10-11	2457041 Ontario Ltd.	Settlement SET22273	33,547.93
2018-10-11	2466778 Ontario Inc	Settlement SET22289	39,879.19
2018-10-11	92957216 Quebec Inc.	Settlement SET22279	38,103.65
2018-10-11	9437690 Canada Inc	Settlement SET22282	39,585.00
2018-10-11	9776087 Canada Inc.	Settlement SET22292	39,965.12
2018-10-11	9982132 Canada Inc.	Settlement SET22293	39,713.96
2018-10-11	Bal Jewellers & Trading Inc.	Settlement SET22288	15,988.05
2018-10-11	9346-8460 Quebec Inc.	Settlement SET22280	51,004.85
2018-10-11	Bijouterie Safa Inc	Settlement SET22283	24,865.75
2018-10-11	Elite Precious Metal Exchange Inc.	Settlement SET22277	46,440.81
2018-10-11	Empire Trading Limited	Settlement SET22278	39,678.73
2018-10-11	Galaxy Precious Metals Corp.	Settlement SET22295	26,423.15
2018-10-11	Ohannes Khatchirian	Settlement SET22276	26,442.65
2018-10-11	M.A.C Precious Metal Refining Inc	Settlement SET22275	26,303.68
2018-10-11	9372-8483 Quebec Inc.	Settlement SET22281	26,241.93
2018-10-11	Tree Jewellers Inc	Settlement SET22284	13,208.78
2018-10-12	2337980 Ontario Inc.	Settlement SET22315	19,483.62
2018-10-12	2575720 Ontario Inc.	Settlement SET22325	27,163.50
2018-10-12	2576393 Ontario Inc.	Settlement SET22317	3,875.95
2018-10-12	92957216 Quebec Inc.	Settlement SET22310	37,889.15
2018-10-12	9324-5371 Quebec Inc	Settlement SET22320	49,828.61
2018-10-12	9896643 Canada Inc.	Settlement SET22316	26,832.65
2018-10-12	9982132 Canada Inc.	Settlement SET22308	26,413.14
2018-10-12	9346-8460 Quebec Inc.	Settlement SET22309	50,340.55
2018-10-12	Bijouterie Yakona Inc	Settlement SET22313	46,877.35
2018-10-12	Elite Precious Metal Exchange Inc.	Settlement SET22305	33,082.27
2018-10-12	1503329 Ontario Ltd.	Settlement SET22306	19,280.95
2018-10-12	MC Gold Refining Inc	Settlement SET22301	19,317.35
2018-10-12	S.S. Cash for Gold Inc	Settlement SET22302	13,061.36
2018-10-12	Sam Bijouterie Inc.	Settlement SET22314	46,911.80
2018-10-15	2337980 Ontario Inc.	Settlement SET22336	13,165.75
2018-10-15	9839143 Canada Inc.	Settlement SET22344	28,304.77
2018-10-15	Elite Precious Metal Exchange Inc.	Settlement SET22340	26,475.02
2018-10-15	MC Gold Refining Inc	Settlement SET22330	19,173.70
2018-10-15	9989676 Canada Inc.	Settlement SET22339	39,806.26
2018-10-15	S.S. Cash for Gold Inc	Settlement SET22327	10,039.38
2018-10-15	SH Refining Ltd.	Settlement SET22326	19,338.15
2018-10-15	Talus Gold Inc.	Settlement SET22333	26,499.07
2018-10-16	1994930 Ontario Inc.	Settlement SET22347	2,561.65
2018-10-16	9982132 Canada Inc.	Settlement SET22361	39,699.92
2018-10-16	2388905 Ontario Inc.	Settlement SET22357	19,215.95
2018-10-16	Ace of Gold Inc	Settlement SET22345	26,501.80
2018-10-16	Bal Jewellers & Trading Inc.	Settlement SET22351	13,609.05
2018-10-16	9346-8460 Quebec Inc.	Settlement SET22355	56,976.27
2018-10-16	Bijouterie Safa Inc	Settlement SET22359	28,717.00
2018-10-16	Empire Trading Limited	Settlement SET22362	39,644.15
2018-10-16	Ohannes Khatchirian	Settlement SET22349	21,507.85
2018-10-16	S.S. Cash for Gold Inc	Settlement SET22348	9,048.78
2018-10-16	Toronto Reserve Gold Inc.	Settlement SET22354	19,732.96
2018-10-17	2276230 Ontario Inc.	Settlement SET22388	32,854.90
2018-10-17	2457041 Ontario Ltd.	Settlement SET22392	39,800.80
2018-10-17	2575720 Ontario Inc.	Settlement SET22387	33,258.16
2018-10-17	8561648 Canada Inc	Settlement SET22389	26,981.24
2018-10-17	9324-5371 Quebec Inc	Settlement SET22393	51,121.07
2018-10-17	Bijouterie Yakona Inc	Settlement SET22383	47,243.30
2018-10-17	Elite Precious Metal Exchange Inc.	Settlement SET22385	39,877.11
2018-10-17	1503329 Ontario Ltd.	Settlement SET22375	25,725.31
2018-10-17	S.S. Cash for Gold Inc	Settlement SET22370	5,972.72
2018-10-17	Sam Bijouterie Inc.	Settlement SET22382	47,193.90
2018-10-17	Tree Jewellers Inc	Settlement SET22376	26,500.11
2018-10-18	2417916 Ontario Inc.	Settlement SET22402	52,806.52
2018-10-18	92957216 Quebec Inc.	Settlement SET22405	45,011.20
2018-10-18	9776087 Canada Inc.	Settlement SET22406	40,244.75
2018-10-18	9982132 Canada Inc.	Settlement SET22411	40,135.16

Posting Date	Vendor Name	Description	ITC Denied
2018-10-18	9346-8460 Quebec Inc.	Settlement SET22404	51,348.05
2018-10-18	Bijouterie Safa Inc	Settlement SET22407	35,540.96
2018-10-18	MC Gold Refining Inc	Settlement SET22409	12,966.85
2018-10-18	9989676 Canada Inc.	Settlement SET22412	26,860.60
2018-10-18	S.S. Cash for Gold Inc	Settlement SET22403	6,613.88
2018-10-19	2276230 Ontario Inc.	Settlement SET22426	39,893.10
2018-10-19	2337980 Ontario Inc.	Settlement SET22424	33,194.85
2018-10-19	92957216 Quebec Inc.	Settlement SET22428	32,163.30
2018-10-19	9324-5371 Quebec Inc	Settlement SET22437	50,510.20
2018-10-19	Bijouterie Safa Inc	Settlement SET22432	28,336.75
2018-10-19	Bijouterie Yakona Inc	Settlement SET22431	47,716.50
2018-10-19	Empire Trading Limited	Settlement SET22420	26,851.50
2018-10-19	9372-8483 Quebec Inc.	Settlement SET22427	33,281.30
2018-10-19	Sam Bijouterie Inc.	Settlement SET22430	47,616.40
2018-10-22	2337980 Ontario Inc.	Settlement SET22458	34,264.10
2018-10-22	92957216 Quebec Inc.	Settlement SET22449	44,880.55
2018-10-22	9982132 Canada Inc.	Settlement SET22463	39,904.15
2018-10-22	2388905 Ontario Inc.	Settlement SET22469	25,768.60
2018-10-22	Bijouterie Safa Inc	Settlement SET22450	25,069.85
2018-10-22	Bijouterie Yakona Inc	Settlement SET22455	47,654.10
2018-10-22	1503329 Ontario Ltd.	Settlement SET22452	25,875.59
2018-10-22	Sam Bijouterie Inc.	Settlement SET22453	47,390.85
2018-10-22	Talus Gold Inc.	Settlement SET22460	26,630.76
2018-10-23	2276230 Ontario Inc.	Settlement SET22478	33,397.65
2018-10-23	2466778 Ontario Inc	Settlement SET22483	66,710.54
2018-10-23	Bal Jewellers & Trading Inc.	Settlement SET22473	14,891.89
2018-10-23	Elite Precious Metal Exchange Inc.	Settlement SET22484	47,106.15
2018-10-23	9989676 Canada Inc.	Settlement SET22485	46,944.95
2018-10-23	S.S. Cash for Gold Inc	RCredit for SET22479	(20,929.09)
2018-10-23	S.S. Cash for Gold Inc	Settlement SET22476	6,401.72
2018-10-23	S.S. Cash for Gold Inc	Settlement SET22479	20,929.09
2018-10-23	SH Refining Ltd.	Settlement SET22471	19,640.53
2018-10-23	Tree Jewellers Inc	Settlement SET22477	20,108.01
2018-10-24	1994930 Ontario Inc.	Settlement SET22501	13,608.79
2018-10-24	2457041 Ontario Ltd.	Settlement SET22522	34,830.25
2018-10-24	8561648 Canada Inc	Settlement SET22503	27,255.15
2018-10-24	92957216 Quebec Inc.	Settlement SET22507	25,552.41
2018-10-24	9324-5371 Quebec Inc	Settlement SET22514	50,290.76
2018-10-24	9747583 Canada Ltd	Settlement SET22498	44,986.50
2018-10-24	Ace of Gold Inc	Settlement SET22495	26,727.48
2018-10-24	9346-8460 Quebec Inc.	Settlement SET22509	57,266.56
2018-10-24	Bijouterie Safa Inc	Settlement SET22512	30,603.04
2018-10-24	Fast Money Auction Inc.	Settlement SET22511	32,184.36
2018-10-24	Ohannes Khatchirian	Settlement SET22506	21,270.60
2018-10-24	MC Gold Refining Inc	Settlement SET22521	19,482.32
2018-10-24	S.S. Cash for Gold Inc	Settlement SET22505	15,054.78
2018-10-24	Toronto Reserve Gold Inc.	Settlement SET22518	18,838.95
2018-10-25	2417916 Ontario Inc.	Settlement SET22531	67,077.27
2018-10-25	Bijouterie Yakona Inc	Settlement SET22533	47,474.70
2018-10-25	9372-8483 Quebec Inc.	Settlement SET22532	33,867.08
2018-10-25	Ora Italia Inc.	Settlement SET22538	12,959.31
2018-10-25	Sam Bijouterie Inc.	Settlement SET22534	47,483.80
2018-10-26	2466778 Ontario Inc	Settlement SET22542	40,255.15
2018-10-26	Empire Trading Limited	Settlement SET22541	54,052.83
2018-10-26	MC Gold Refining Inc	Settlement SET22543	19,512.48
2018-10-26	S.S. Cash for Gold Inc	Settlement SET22539	10,462.27
2018-10-29	2276230 Ontario Inc.	Settlement SET22577	60,070.40
2018-10-29	2575720 Ontario Inc.	Settlement SET22570	27,004.77
2018-10-29	92957216 Quebec Inc.	Settlement SET22565	25,747.15
2018-10-29	Bal Jewellers & Trading Inc.	Settlement SET22559	18,873.40
2018-10-29	9346-8460 Quebec Inc.	Settlement SET22568	25,611.30
2018-10-29	Bijouterie Safa Inc	Settlement SET22567	24,976.64
2018-10-29	1503329 Ontario Ltd.	Settlement SET22562	32,426.03
2018-10-29	9372-8483 Quebec Inc.	Settlement SET22569	33,865.65
2018-10-29	S.S. Cash for Gold Inc	Settlement SET22560	8,731.19
2018-10-29	Toronto Reserve Gold Inc.	Settlement SET22580	10,776.22
2018-10-30	1994930 Ontario Inc.	Settlement SET22596	15,080.65
2018-10-30	2417916 Ontario Inc.	Settlement SET22600	40,168.05
2018-10-30	9776087 Canada Inc.	Settlement SET22591	33,863.70
2018-10-30	Ohannes Khatchirian	Settlement SET22595	21,396.70
2018-10-30	MC Gold Refining Inc	Settlement SET22593	19,534.45
2018-10-30	S.A. Rajgan Enterprises Corp.	Settlement SET22590	33,417.15
2018-10-31	8561648 Canada Inc	Settlement SET22616	6,395.22

Posting Date	Vendor Name	Description	ITC Denied
2018-10-31	9324-5371 Quebec Inc	Settlement SET22613	27,302.60
2018-10-31	Bijouterie Yakona Inc	Settlement SET22611	21,910.07
2018-10-31	S.S. Cash for Gold Inc	Settlement SET22618	13,240.50
2018-10-31	Sam Bijouterie Inc.	Settlement SET22610	21,979.62
2018-10-31	SH Refining Ltd.	Settlement SET22612	19,316.70
Total for Period Ended 2018-10-31			\$ 6,741,288.06
Total adjustments for all periods			\$ 133,451,149.90

This is Exhibit "EE" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE', written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R

Baker McKenzie.

Baker & McKenzie LLP
Barristers & Solicitors

Brookfield Place
Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto, ON M5J 2T3
Canada

Tel: +1 416 863 1221
Fax: +1 416 863 6275
www.bakermckenzie.com

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* Associated Firm
** In cooperation with
Trench, Rossi e Watanabe
Advogados

July 10, 2020

Our ref: 10008358-92252669

Jaclyn Bartlett
GST/HST Audit Division
Saskatoon Tax Services Office
340 3rd Avenue N.
Saskatoon, SK S7K 0A8

**By Fax: 1-306-975-6723 and
My Business Account Portal**

Dear Ms. Bartlett,

Express Gold Refining Ltd. ("EGR")
BN: 13855 7095 RT0001
Audit Period: 2016-06-01 to 2018-10-31

We refer to your proposal letter dated May 27, 2020 (received on June 1) and related schedules by which CRA Audit ("**Audit**") proposes to reassess EGR for over \$133 million of ITCs denied, gross negligence penalties in excess of \$34 million, plus statutory interest of approximately \$27 million as of the date of this letter ("**Proposal**"). We also refer to our telephone conference call held on June 22 last and attended by you, Cathy Gadzella, Gisele Wonta and Jolene Baynes (CRA's Saskatchewan TSO); Jennifer Ryan and Vance Smith (CRA Headquarters); Danny Cisterna (Deloitte); Bryan Horrigan (Baker McKenzie) and the undersigned, during which you provided us with some additional information underlying the Proposal ("**Teleconference**"). The Teleconference was held further to our letter dated June 10, 2020 in which we requested additional information and an extension of time to respond to the proposal ("**June 10 Letter**").

To reiterate, neither EGR nor its principal were involved in any collusion or complicity with any suppliers in any alleged scheme to deceive the Crown or benefit from diverted GST/HST. On the contrary, EGR's business was conducted at all times in compliance with the *Excise Tax Act*¹ while cooperating and being fully transparent with the CRA.

As explained to you during the Teleconference and in the June 10 Letter, EGR remains unable to fully address the case it has to meet under the Proposal until the Agency provides EGR with the requested information. The Proposal rests on certain industry norms and claims that EGR is an outlier. However, EGR remains in the dark on how those norms were

¹ RSC 1985, c E-15 (the "**Act**"). In this letter, the statutory references are to the Act unless otherwise indicated.

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established. This lack of disclosure puts EGR in an impossible situation and deprives it of the most basic fairness and due process, especially given the nature and seriousness of the allegations contained in the Proposal and their potential fatal impact on EGR.

In these circumstances, the present representations will focus on the legal questions raised by the Proposal, while the factual representations will be necessarily limited to addressing the points EGR can realistically address given the Agency's lack of disclosure. While EGR reserves its right to make further representations if and when it receives proper disclosure from the CRA, the representations below amply demonstrate that the Proposal is unsustainable and that no reassessment action is justified against EGR. Instead, EGR should be able to continue to operate its business and its ITC claims be processed in the normal course. There are currently \$37 million worth of those claims that are currently outstanding.

I. The Proposal - in greater detail

a) Denied ITCs

The Proposal seeks to deny ITCs in the amount of \$133,451,149.50 which relate to EGR's purchases of unrefined gold from certain suppliers that Audit believes were part of a carousel scheme. For context, the Proposal aims to disallow ITCs, approximately \$110 million of which were previously, properly refunded to EGR and paid by EGR to its suppliers as GST/HST. The ITCs relate to EGR's purchases from 66 of its 1400 suppliers who dealt with EGR during the audit period. Audit's concern underlying the Proposal is that those purchases arose in the context of an alleged carousel scheme in the gold recycling industry; EGR having remitted GST/HST to those suppliers but those suppliers, or some other suppliers somewhere in the supply chain having absconded with or otherwise not paid the tax instead of remitting it to the Crown as they were required to do under the Act.

The theory underlying the Proposal appears to be that EGR was a willing participant in such carousel scheme, the sole purpose of which was to misappropriate GST/HST from the Minister of National Revenue ("**Minister**"). The theory is explained in a 7-page schedule titled "*Schedule E - Carousel Scheme*" ("**Schedule E**"). At its roots, Audit's theory is that EGR's purchases were of too high (or unreasonable) purity and of too high (or unreasonable) volume, which would supposedly show that its unrefined gold purchases were part of a carousel scheme and the sources of unrefined gold were not "legitimate".

In particular, Audit claims that it has determined that given some undisclosed survey of the unrefined gold market in the greater Toronto area ("**GTA**") the purchases for which ITCs were denied:

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- i. had a weighted purity of 83% while the "expected range" would be 50% to 65%;
- ii. most (*i.e.*, 90%) of EGR's volume of gold comes from a small proportion of suppliers (*i.e.*, 20%);
- iii. those same vendors in question have excessive volumes (*i.e.*, on average more than double) by comparison to an average weekly benchmark of 2.39 kg of gold per week per supplier.

While it relies heavily on these "industry norms", the Proposal also alleges that there were "significant issues" regarding EGR's due diligence, while claiming that EGR's business plummeted in October 2018 when its GST/HST refunds started to be withheld indefinitely by Audit.

In the Proposal, Audit also claimed that:

- i. EGR's principal, Atef Salama, is knowledgeable about the gold industry;
- ii. EGR's sales drastically increased in 2013 for no good reason;
- iii. the magnitude of the alleged scheme warranted further inquiries on EGR's part;
- iv. the information obtained by EGR to satisfy its FINTRAC obligations was not used to conduct a proper risk assessment; and
- v. there were significant unspecified issues pertaining to EGR's books and records (although Audit acknowledged during the Teleconference that these issues did not impact the results of the Proposal).

Lastly, the Proposal (at pages 1-2) contains, under the heading "Carousel Scheme Overview", generic remarks explaining Audit's own concept of what a carousel scheme is. We note in those remarks that for a carousel scheme to exist, there must be someone, somewhere in the supply chain not remitting the tax. The Proposal also indicates that all "carousel schemes require a zero-rater to receive GST/HST refunds from the CRA [...as...] a source of cash in the scheme". This misses the fact that where a supplier along the chain does not remit tax due, that provides that supplier with "a source of cash in the scheme" without involving the zero-rater at all.

We must think that for the CRA's theory to work, the zero-rater must be colluding with the person in the chain not remitting the tax and benefiting from such collusion. Despite these generic comments about carousel schemes the Proposal does not identify the relevant carousel scheme for purposes of this case nor who would be its

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participants. Further, there is no linkage between the zero-rater the Proposal describes in the abstract and EGR. Nor is there any linkage suggested between EGR and its suppliers apart from the fact that some have high volumes with high purity levels. Put in different words, the alleged collusion the Proposal is talking about would consist of EGR operating its business while there is somewhere in its supply chain an amorphous carousel scheme. We have yet to understand how such a one-sided, blinkered, theory, unsupported by any evidence, can be left unexplained while a reassessment is being proposed.

It is also remarkable that there is no evidence, finding or assumption, fact or even a single suggestion that EGR benefitted from being a willing participant in a carousel scheme and, if so, how that would have been taking place. This silence is telling.

b) Gross negligence penalties

Audit advised during the Teleconference that penalties were proposed under section 285 on the basis that EGR made false statements by claiming ITCs in its monthly GST/HST returns. Audit also advised that EGR was grossly negligent because it was a willing participant in a carousel scheme (as a main basis) or alternatively because EGR was "willfully blind".

II. Fairness and due process dictate full disclosure to EGR

The Minister and the CRA – including Audit – like other administrative bodies are subject to the Rule of Law, including Administrative Law. Procedural fairness or due process is a cornerstone of that law.² It follows that Audit's actions are subject to due process and that includes telling EGR the case it has to meet.

In this case, the Proposal is essentially based on undisclosed market information from which generalizations are made. To meet the case under the Proposal EGR needs to do a proper comparability analysis. In order to do so, EGR must know the sources and methodologies that Audit used to determine the following:

- the “realities of the scrap gold market in the greater Toronto area”;
- the “expected range” of weighted purity of unrefined gold is 50% to 65%;
- the “expected weekly volume”/“weekly volume used as a benchmark” of gold should be 2.39 kg; and
- the “industry norms” for average purity and volume.

² *Dunsmuir v. New Brunswick*, 2008 SCC 9, at para. 79.

Until the CRA has disclosed this information, EGR is unable to adequately respond to the Proposal and is not afforded due process. Audit's reasons must include an analysis of the applicable legal framework and significant evidence that permits the reader to understand Audit's rationale for its conclusions.³ Put simply, Audit must tell EGR the "what", "how" and "why" of the Proposal. Referring to the realities of a given market without properly explaining how it was defined, simply referring to "expected ranges" of purity or volumes without explaining the sources and methodologies that were used by Audit to arrive at these expected ranges effectively force EGR to guess what those norms are without being able to understand their effect on the Proposal's outcome. Without complete and transparent disclosure, the Proposal cannot be properly understood by EGR (or anyone else) and there cannot be due process. Accordingly, in order to be able to properly respond to the allegations made in the Proposal, EGR requires such full disclosure and is wholly entitled to it.

Lastly, under this heading, one wonders why Audit is also dismissing EGR's unqualified right under the **Taxpayer Bill of Rights** "*to complete, accurate, clear and timely information*"?

III. Taxpayer confidentiality does not shield Audit from proper disclosure to EGR

During the Teleconference, Audit advised that taxpayer confidentiality rules under section 295 prevented the disclosure of further information underlying the Proposal. In particular, Audit advised it was not authorized under the Act to disclose further information to EGR and that such information would only be available through the discovery process at the Tax Court of Canada.

However, a review of the applicable provision and relevant caselaw makes it clear that Audit's refusal to disclose has no merit whatsoever. First, the subsection 295(2) prohibition to disclosure applies only in respect of "confidential information". This expression is a defined term which specifically excludes "information that does not directly or indirectly reveal the identity of the person to whom it relates" (subsection 295(1)). The application of this provision is to permit Audit to disclose information other than information which would directly or indirectly reveal the identity of the person to whom it relates. However, the information requested consists of sources and methodologies for Audit's conclusions and is in the nature of industry and benchmarking information, presumably in the form of market statistics obtained from a number of market participants and other sources.

We cannot see how the disclosure of such information – which can be achieved without disclosing the identity of the particular taxpayer – can be viewed by Audit as

³ *Sangha v. Canada (Attorney General)*, 2020 FC 712 at paras. 26 and 33. This decision was based on the Supreme Court of Canada's recent, seminal decision on judicial review: *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65.

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being “confidential information” as this expression is defined in the Act. It is also disingenuous to suggest that disclosure of such information may indirectly reveal the identity of a particular taxpayer. One could expect that the purported “industry norm” would be based on more than a handful of jewelry stores in the GTA or a competitor of EGR for which disclosing any information would necessarily reveal their identity. In fact, if disclosure of such anonymized information indirectly revealed identities of particular taxpayers, it follows that such information could not be statistically significant and support Audit’s “benchmarks”.

Second, paragraph 295(5)(b) makes it clear that Audit *has the authority* (and is, therefore, not prohibited from doing so) to provide confidential information that can be reasonably regarded as necessary for the purposes of determining EGR's liability under the Act. Given the CRA's benchmarking of EGR both in terms of volumes and purity, any information relating to the CRA's benchmarking must be, therefore, disclosable to EGR, without contravening section 295. Given that Audit's refusal to disclose to EGR is based on this incorrect view of the law, there is simply no rational basis to not disclose the information in this case.

EGR has requested this information to determine and potentially reduce or eliminate its tax liability under the Act. In cases like this one, the Courts have made it clear that the taxpayer's fundamental right to know the case it has to meet “cannot be denuded of value by a blanket claim of confidentiality”.⁴

Third, the courts have explicitly rejected Audit’s position that EGR must wait until disclosure procedures at the Tax Court to obtain meaningful disclosure. In particular, for the administrative process to be meaningful, the taxpayer must have sufficient information to understand the case it has to meet before litigation.⁵

Lastly, the Courts have noted the particular importance of full disclosure in cases, such as this one, where the CRA relies on sources of information outside the control of the taxpayer.⁶ In light of the above, we reiterate our request for the information we have listed above concerning sources and methodologies and our request to extend the time to make representations to 60 days from the receipt of such information.

⁴ *Scott Sipp Nissan Ltd. v. Canada (Attorney General)*, 2005 FC 1477 at para. 50.

⁵ *Ibid.* at para. 18.

⁶ *Ibid.* at para. 50.

IV. The Proposal has no legislative foundation

Under the Proposal, Audit intends to reassess EGR to deny its ITCs on purchases of unrefined gold during the relevant period. When asked about the statutory basis underlying the Proposal during the Teleconference, Audit confirmed that such basis is founded in subsection 169(1); the theory being that EGR was involved in an "illegitimate" commercial activity. However, neither the words nor the spirit of the Act can reasonably support that theory.

Subsection 169(1) is the general rule for ITC entitlement. It simply allows ITCs where the person, (in this case, EGR) acquired property in the course of its commercial activities. The provision makes no distinction of the commercial activities being "legitimate" or not.

Is Audit also suggesting that "under the table" payments or sales of illegal narcotics are not subject to GST/HST in Canada?

Further, the expression "commercial activity" is defined to mean, among others, either a business carried on by the person or adventure or concern in the nature of trade. This definition is broad, has been interpreted broadly and its only exception arises in the case of exempt supplies: an exception which does not apply in this case.⁷ "Business" is defined similarly broadly to include an "undertaking of any kind whatever" and "any activity engaged in on a regular or continuous basis that involves the supply of property." Indeed, the courts have confirmed that commercial activity even includes illegal activity.⁸

The Act is designed to apply broadly to apply GST/HST on a wide range of transactions, which is clear from the extremely broad definitions of "supply" and "service", which effectively result in "anything" except money and employee services as constituting a "supply". Similarly, given that GST/HST is a value added tax, the Act is designed to meet two primary objectives: (1) to prevent tax cascading and (2) to allow the obligation to pay GST/HST to flow through to the ultimate consumer.⁹ This is operationalized through the broad definition of "commercial activity" as indicated above, which begets broad availability of ITCs. Audit's position frustrates these two fundamental objectives.

The Courts have also made it clear that it is for Parliament – not the Courts or the CRA – to draft tax legislation¹⁰ or to make decisions unless they are based on

⁷ *Stewardship Ontario v. The Queen*, 2018 TCC 59 at paras. 49-54.

⁸ *Ouellette v. The Queen*, 2009 TCC 443 at paras. 17-19; See also, *65302 British Columbia Ltd. v. Canada*, [1999] 3 S.C.R. 804 at para. 56, wherein the Supreme Court noted that "tax authorities are not concerned with the legal nature of an activity."

⁹ *Calgary (City) v. Canada*, 2012 SCC 20, at para. 16.

¹⁰ *Canderel Ltd. v. Canada*, [1998] 1 S.C.R. 147 at para 41.

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considerations arising from the Act itself.¹¹ Determining the purpose of provisions or portions of the Act is not to be confused with abstract views of what is right and what is wrong nor with arbitrary theories about what the law ought to be or ought to do.¹²

Furthermore, the Courts have stated that a registrant is not required to police its suppliers in order to be entitled to ITCs, as Justice Tardif stated in *Salaison Lévesque*:

[63] In the absence of specific measures, a taxpayer cannot be held responsible for the tax liabilities not met by a tax partner, unless obviously there has been collusion with that partner. It seems that the tax authorities have a tendency to assume that a certain degree of negligence or even a lack of vigilance amounts to collusion. In other words, the respondent would like to impose a burden or a liability that translates into a real obligation to inquire or investigate for businesses that deal with others.

...

[71] Nothing in the ETA provides that a business must act as a police officer or investigator to ensure that the business whose services have been retained complies with the ETA.

...

[74] The [Agency] not only has access to the Agencies' confidential information, which is not the case for the appellant, but also has numerous resources. *Inter alia*, it has sophisticated audit software that enables it to cross-reference information contained in various records. It has the tools, staff and technical and material resources to uncover and sanction fraudsters.

[75] It also has competent employees whose work consists essentially in auditing businesses. It cannot require a simple small or medium-size, or even a large business, to do the same thing.

[76] That would simply not be realistic and could destabilize the entire financial market.¹³

Entitlement to ITCs arises where subsection 169(1) is met and where the strict ITC information requirements are met under subsection 169(4).¹⁴ These information requirements include a description of the supply, the name of the supplier (or intermediary) and the supplier's GST/HST registration number. Based on the Proposal, we understand that Audit accepts that EGR has satisfied all of the requirements under subsection 169(4) with respect to the transactions/suppliers at issue.

¹¹ *CIBC World Markets Inc. v. The Queen*, 2012 FCA 3 at para 23.

¹² *Collins & Aikman Products Co. v. The Queen*, 2009 TCC 299 at para 72.

¹³ *Salaison Lévesque Inc. v. The Queen*, 2014 TCC 36, paras. 64, 71, and 73; aff'd 2014 FCA 296; followed in: *Agence du revenu du Québec v. Stamatopoulos*, 2018 QCCA 474.

¹⁴ *Systematix Technology Consultants Inc. v. Canada*, 2007 FCA 226 at paras. 4-6.

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The above comments are particularly relevant in the context of this case. Remember the Proposal is to deny ITCs for the alleged default of some unidentified person(s) in an amorphous supply chain (*i.e.*, the 66 suppliers or, perhaps, other suppliers somewhere up the supply chain) – not EGR – of failing remitting the tax to Her Majesty. The point is that our system is based on the Rule of Law. If the Courts insist that it is for Parliament to make the rules to create tax liability, the more so will the Courts insist that it is also for Parliament to make the rules to deny a taxpayer's right (in the case of ITC entitlement) due to someone else's tax liability and alleged wrongdoings, especially where that person is unidentified.

As further evidence of the lack of foundation for the Proposal, Audit acknowledged during the Teleconference that its assessing theory was wholly unprecedented in the jurisprudence. This is so despite the fact that a number of cases have dealt with instances involving alleged carousel frauds under the Act. Given that the Courts have already ruled against the CRA on its theory of "commercial activity" in cases where the registrant was found to be a active participant in a tax fraud,¹⁵ it would be a waste of resources for all to issue reassessments and have an issue re-litigated for no good reason, especially, given EGR's compliance under the Act and due diligence.

Lastly, the Minister is required to audit to net tax pursuant to its statutory obligation in subsection 296(2.1). To the extent that EGR paid its suppliers GST/HST that was not due (which is denied), then EGR paid these amounts as or on account of GST/HST that were not payable by EGR and EGR is (or would have been) entitled to a rebate for such amounts pursuant to section 261. As such, the CRA, in assessing EGR's net tax, is required to apply such amounts paid as an "allowable rebate" pursuant to subsection 296(2.1).

V. Debunking Audit's factual findings and assumptions

- a) The reliance on the "realities of the scrap gold market in the GTA" is misguided

We have already demonstrated the untenable position that EGR has been put in because of Audit's lack of proper disclosure. Despite this situation, and subject to making further submissions if and when properly advised of the case EGR has to meet, we wish to comment on the many key factual findings or assumptions made in the Proposal, especially those found in Schedule E.

At a high level, we must question the reference to the "scrap gold market in the GTA". The gold recycling/refining market in the gold industry operates in reverse order compared to the typical supply chain. EGR is one of Canada's largest market participants at the level prior to the final refining.

¹⁵ *TricomCanada Inc. v. The Queen*, 2016 TCC 8 at paras. 105-119.

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Focusing on EGR's circumstances, it is unclear what Audit is defining as the comparable "market" when it references the "GTA" only market. EGR has suppliers from across the country and internationally. It does not focus solely on vendors in the GTA. What does it mean to be a vendor in the GTA? As can be observed from EGR's vendors with which Audit has not taken issue, they operate a wide variety of businesses and under a variety of business models. They supply gold of a wide range of purities, some of which exceed the purity levels of vendors with which Audit has taken issue. If Audit is generalising EGR's market as collecting scrap jewellery for recycling (which may be part but is not all of EGR's market), even that has variation in the market based on the source of the gold in question. For example, scrap gold from South Asian and East Asian sources are typically of much higher purity (typically at or above 90%). A vendor that services these jewelry markets (in the GTA or elsewhere) would be expected to supply gold of a high purity, which may appear particularly high when compared to a similar company focused on lower end jewellery from a different segment of the population. Similarly, a vendor focused on gold from artisanal mining companies or other sources such as manufacturing, may also have what would appear to be relatively high purity. A higher average purity is not an indication of any illicit or nefarious activity but is simply a function of a vendor focusing on a particular market segment (which has little or nothing to do with geography). Judgements cannot be based on purity or volume alone because these numbers alone cannot and do not tell the full story. Facts and context are crucial for a full understanding and evaluation of the situation. Broad generalisations as to what constitutes the "market" gives short shrift to the facts and does a disservice to a fact based analysis.

We are particularly concerned about the cherry-picking approach of a limited, non-representative statistical sampling of certain suppliers given the intricacies of the relevant industry. In particular, different ethnicities and cultures have different habits when it comes to gold and these cultural differences bear a direct impact on the purity level. Not taking account of those differences simply gives a distorted image of the relevant market (and the reality). Again, for completeness, once we have the opportunity to know how Audit's benchmarking was done, we will be in a position to comment further on the potential for incorrect generalisations and conclusions to be drawn based on flawed sampling or erroneous definitions of the relevant market.

b) EGR'S diligence under the Act is and has always been beyond reproach

The Proposal rests on a belief or perception that EGR was either fully aware of the existence of a carousel scheme or at a minimum, should have known about it and was therefore "willfully blind". The words "collusion", "complicit", and "illegitimate" are used interchangeably in the Proposal several times to paint EGR black, without support.

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Two preliminary points need to be addressed at this stage. First, the Proposal accuses EGR of being a willing participant to a carousel scheme, while denying ITCs on EGR's purchases from 66 different suppliers. In order to be able to address this very serious accusation, EGR needs to know if Audit's theory refers to one carousel scheme or 66 different schemes or a number somewhere in between these two extremes as well as the facts underlying those alleged schemes. The number of possible carousel schemes that Audit suggests exist is almost infinite and it would be absurd for a taxpayer to have to refute an infinite number of reassessing theories, especially when based on unknown facts. This absurdity speaks volumes.

The second preliminary point has to do with Audit's alternative theories (*i.e.*, EGR was a willing participant or was willfully blind). While the CRA can develop alternative theories to support a reassessment, there is no such thing as alternative facts. This other flaw in the Proposal also speaks volumes. The Proposal is conspicuously silent about the factual findings or assumptions that might point to EGR being a willing or knowledgeable participant to any carousel scheme. All the factual assertions made by Audit at best hint at a theory of willful blindness, not informed or willing participation. Given that there are no findings or even assumptions to support the view that EGR would be an informed or willing participant to an (unidentified) carousel scheme, Audit's statement merely constitutes colour without any justification and falls short of being intelligible.¹⁶ Accordingly, no further comment on our part is needed at this point and we will gladly deal with any allegation in that regard if and when communicated to us. Accordingly, we will deal now with the factual allegations or assumptions in respect of Audit's willful blindness allegation.

i. EGR's principal, Atef Salama, is knowledgeable about the gold industry

It is somewhat obvious that someone engaged in a business would know or should be familiar with the industry that the business operates in. That simple proposition holds true for every one operating in that industry or in any industry. We fail to see how industry knowledge can influence the liability of a person under a tax statute one way or the other, let alone influence the liability to severe gross negligence penalties.

At the risk of repeating ourselves, EGR was founded in 1994 by Nabil Salama, an Egyptian immigrant who arrived in Canada in 1983, with the rest of his family following in 1984. Mr. Salama is a third generation jeweler. He realigned the family business from jewelry to gold refining in the early 1990s using his expertise and experience from Egypt. His son, Atef Salama, took over the business in 2001 after completing his degrees in computer engineering. After receiving his Master's degree,

¹⁶ Remember, "Audit reasons must include an analysis of the applicable legal framework and significant evidence that permit the reader to understand Audit's rationale for its conclusion". See discussion above citing *Sangha v. Canada (Attorney General)*, 2020 FC 712.

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Atef Salama had worked for IBM and a major accounting firm as a computer consultant. Other members of the family are or have been involved in the business at different times. The business now employs 14 people. At all times, members of the Salama family have conducted themselves as Christians, following the guidance of the Coptic Church. They have built and enjoy a solid reputation in the precious metals industry where trust and honesty are paramount. This explains in part why a family-run business has been able to access and consistently transact for decades with the largest refineries in the industry (e.g., the Royal Canadian Mint, Johnson Matthey and now Asahi, a publicly traded entity in Japan and one of the world's largest refining companies).

EGR's dealings with the CRA have been animated with transparency and collaboration during the numerous reviews and audits by the CRA; EGR's operations being effectively monitored in real time at several times by Audit. For instance, Mr. Salama often briefed CRA government officials about the industry and its practices. In fact, EGR's dealings included representations to the Department of Finance in 2012 as well as to CRA Rulings which led to the 2013 Ruling. For a more complete chronology of EGR's dealings with the CRA and Finance in this regard, please refer to our August 6, 2019 letter to you. Notably, Audit's questioning EGR's integrity in the context of its tax compliance emerged for the first time only recently despite almost 15 years of CRA scrutiny. This is quite a turnabout given prior positions of various CRA officials confirming (including under oath) EGR's integrity.¹⁷

To be clear, most of EGR's suppliers were not charging GST/HST on their supplies of unrefined gold to EGR prior to the issuance of the ruling in 2013. Being sensitive to the potential for increased tax leakage and tax evasion risks, EGR explicitly warned both the CRA and Department of Finance that CRA Rulings' conclusion "will have the obvious but unfortunate consequence of increasing the risk of further tax evasion in an industry where fraudulent practices have already been identified (and prosecuted)" and "complicates the administrative process for the CRA and increases the risk of tax leakage."

Parallel to the issuance of the Ruling, EGR has continued to improve its identity screening processes for all its suppliers. There is nothing that can reasonably suggest that EGR's knowledge of industry is indicative of something nefarious on EGR's part (or on the part of any of the members of the Salama Family). On the contrary, their behavior, including their dealings with the CRA and the Department of Finance reflects good faith and legitimacy.

- ii. EGR's sales did not drastically increase in 2013

¹⁷

Ref: Cross-Examination of Mario Duguay, held on April 10, 2019 re: EGR judicial review application proceedings (Federal Court File Number T-2085-18) Q/As 360-364; 712; and 690.

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At first blush, one wonders why Audit is referring to EGR *sales* in the context of an issue involving its *purchases*, the latter of which give rise to ITCs. That being said, Audit's statement that EGR's sales drastically increased in 2013 is demonstrably wrong. Per EGR's financial statements, EGR's total revenues from trade sales were as follows:

FYE	Sales Revenues
May 31, 2012	\$116,884,603
May 31, 2013	\$91,435,247
May 31, 2014	\$107,926,835

As these figures demonstrate, EGR's sales revenues *decreased* in FYE 2013. In FYE 2014, sales revenues were still below the FYE 2012 level.

Further, in terms of an arguably more relevant metric – *purchases* – the figures similarly demonstrate a reduction in business in the 2013 calendar year. Namely, an approximate summary of gold volume purchased by EGR for refining in 2013 and the five years leading up to 2013 is as follows:

Year	Gold Purchases (Kg)
2008	2,000
2009	2,800
2010	2,100
2011	1,800
2012	1,500
2013	1,300

As is obvious from this chart, EGR's volume of purchases of pure gold for refining in fact *declined* in 2013 and was at its lowest level in 2013 as compared to any year since at least 2008.

While Audit's factual finding on this issue is obviously wrong, even if EGR's sales did increase in 2013 or any other year, it is unclear how such increase would be a relevant factor in determining that EGR was colluding with other participants in a carousel scheme, as Audit alleges.

iii. EGR performed reasonable inquiries

The Proposal suggests that the magnitude of the (undefined) scheme warranted further inquiries on EGR's part. In particular, there are vague suggestions about EGR's lack of follow-up on the FINTRAC reports, including the credit ratings of certain of its suppliers.

We disagree. First, there is no evidence or concrete facts cited about the "magnitude of the scheme". EGR has no information in this regard and has pointed out, it is unclear whether Audit is talking about one carousel scheme or 66 carousel schemes, or some number in between. The only information available to EGR comes from its own business and as far as EGR is concerned, it has no knowledge of any carousel scheme. EGR's business is cyclical in nature and it fluctuates based on various factors totally unrelated to GST/HST considerations.

What the Proposal does is to suggest there is some value judgment on how business people are to conduct their business. The Act does not authorize Audit to act as a business expert or a business regulator. Further, the Act does not impose an obligation on one taxpayer to report or to monitor the tax compliance of other taxpayers.¹⁸ At all times, EGR ceased to transact with any client where it suspected criminal or improper behavior on the client's part. In fact, EGR on numerous occasions, specifically asked CRA officials to advise EGR in that respect and stopped transacting with suppliers where CRA advised EGR there was an issue.

What is (are) the legal obligation(s) Audit seeks to impose on EGR and what is their legislative source?

Gold recycling is an important industry. It represents approximately 25% of the world's annual supply of gold.¹⁹ It has increased over the years and expected to increase further for several reasons (environmental in particular). While there are issues associated with that industry (e.g., money laundering, proceeds of crime, terrorist activities financing, child labor issues, and, as Audit suggests, tax evasion in Canada), it is not for Audit to impose (secret) standards on taxpayers and try to regulate commerce and certainly not to assess tax on those taxpayers for duties or obligations that do not exist.

The CRA's references to EGR's FINTRAC reporting, including risk ratings, are to the same effect and are irrelevant when it comes to determining a taxpayer's liability under the Act. FINTRAC is an independent government agency that assists in enforcing the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* ("PCMLTFA"). FINTRAC's mandate is to collect, analyze and disclose information

¹⁸ *Salaison Lévesque Inc. v. The Queen*, 2014 TCC 36, paras. 64 and 71.

¹⁹ World Gold Council, "Gold Supply", online: <<https://www.gold.org/about-gold/gold-supply>>.

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to help detect, prevent and deter money laundering and the financing of terrorist activities in Canada and abroad.

EGR's compliance obligations under the PCMLTFA are entirely separate from its obligations under the Act and requires EGR, among other things, to have a PCMLTFA compliance regime; to maintain certain records (including client identification and transaction reporting); to monitor its business relationships and, if necessary, implement enhanced due diligence procedures; to report certain types of transactions to FINTRAC (large cash transactions, *e.g.*, over \$10,000, and suspicious transactions under the legislation), and to report certain types of property ownership scenarios to FINTRAC (*e.g.*, property owned by a terrorist group).

The compliance obligations under the PCMLTFA are extensive. EGR has taken these compliance obligations very seriously, has conducted itself accordingly to meet them. It has an employee dedicated to such compliance and has been subject to independent audits periodically. EGR has built its client base purely on existing relationships in the market and referrals. When onboarding any new client, EGR undertakes the required due diligence to verify the identity of the client. If the customer is not known to EGR or has not been referred, they are considered high risk and additional checks are undertaken by EGR prior to establishing a client relationship. During the onboarding process, EGR assigns a risk rating based on the risk profile which is reviewed and signed off by its compliance officer.²⁰ Additionally, for each customer, EGR maintains a file containing the customer's identification form, business registration, proof of identity, the client's risk rating and beneficial ownership information wherever applicable.

The purpose of the PCMLTFA is to prevent money laundering and the financing of terrorist organizations. The compliance obligations in the PCMLTFA are designed to achieve that purpose, not to ensure that the GST/HST obligations of suppliers have been satisfied. EGR's compliance measures under the PCMLTFA were taken in light of the purpose of that legislation. The PCMLTFA and FINTRAC requirements have no other implications over EGR's business, and definitely no implications concerning its tax obligations, including the requirements in section 169 for entitlement to ITCs.

Similarly, poor credit ratings are irrelevant to EGR's business. The suppliers come in with gold and the transfer of ownership of the gold transferred from them gives EGR all the assurances it needs (from a credit risk perspective) to carry on its business. The credit report serves as one piece of information to confirm client identity – not credit. EGR at all times confirmed that its suppliers to whom it paid GST/HST, maintained active GST/HST account registration numbers issued by the Agency.

²⁰ The risk rating referred to is the risk the customer is engaging in money laundering or terrorist financing as described by the PCMLTFA and EGR's assessment of that risk from low to higher. For example: Low - EGR sees these characteristics as posing little risk of money laundering or terrorist financing.

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Those suppliers collected GST/HST from EGR as agent of Her Majesty.²¹ Once again, Audit seems to suggest how EGR should carry on its business.

- iv. The paralysis of EGR's business due to the CRA audit does not validate Audit's theory

The fact that suppliers stopped doing business with EGR once the audit commenced, is a logical result of the Agency's withholding of ITCs from EGR, and not evidence of suppliers participating in a carousel scheme. In particular, the Agency's withholding of net tax refunds during the course of the audit resulted in EGR not having the cash flow to pay GST/HST charged by its suppliers on a timely basis or at all. While suppliers were not receiving GST/HST from EGR, they still would have been required to remit GST/HST in their periodic GST/HST returns for the period in which the GST/HST was charged to EGR.²² It logically follows that suppliers who were put in this bind would generally cease doing business with EGR once the audit commenced. This does not constitute evidence of involvement in a carousel scheme, instead it is the direct result of the Agency's attack on EGR.

Furthermore, the actions of suppliers taken *after* transactions occurred cannot be used to inform what EGR knew or ought to have known at the time that the transactions occurred. This *ex post facto* argument by Audit is clearly flawed.

- v. There were no issues with EGR's books and records

We asked Audit what were the issues relating to EGR's books and records and whether EGR was asked about those and if not, why not?

We learned during the Teleconference, that the stated reason Audit did not ask EGR questions was because Audit was asked to communicate with EGR's law firm. We also learned that all questions asked by Audit were fully answered by EGR (through its counsel) and that, in fact, Audit did not have any additional questions or inquiries of EGR that needed to be addressed.

We note also that EGR's claims for ITCs during the audit period which were in excess of \$150 million were reconciled with EGR's books and records by Audit (except for approximately \$11,000),²³ demonstrative of the accuracy and integrity of EGR's records.

Audit was quite candid during the Teleconference to confirm that the issues with EGR's books and records had nothing to do with the Proposal and were totally

²¹ Subsection 221(1).

²² Section 225.

²³ See Schedule B of the Proposal.

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irrelevant. Despite Audit's candour, we must note that the statement about issues concerning EGR's books and records in the Proposal is disingenuous.

c) Wrapping-up

We have demonstrated that Audit's factual findings or assumptions accusing EGR of being "wilfully blind" are either based on legal obligations that do not exist, are simply irrelevant or are disingenuous. Accordingly, not only is there no legal foundation for the Proposal to impose a tax liability on EGR, there is no factual foundation either.

Since there is no reason to disallow EGR's ITCs under the Act, there can be no liability to section 285 penalties. In any event, the section 285 penalty has no application in this case since there was no false statement or omission in any of the monthly GST/HST returns filed by EGR during the audit period and EGR reserves its right to make further representations, in that regard, if advisable.

VI. Uncertainty, Unpredictability and Unfairness

Canadian courts, including the Supreme Court of Canada, have underscored the paramountcy of the principles of certainty, predictability and fairness when it comes to tax matters.²⁴ The Proposal is the antithesis of those principles.

(a) Uncertainty

We have demonstrated earlier that the Act does not impose tax or deny ITCs based on the perceived "legitimacy" or "illegitimacy" of transactions. The Act is agnostic in that regard and so are the other tax statutes.²⁵

It is for Parliament to take action to legislate if it deems appropriate to introduce new rules, or create new duties on taxpayers, not for Audit to issue reassessments without foundation. Similarly, if regulation of the gold industry is warranted, it is also for Parliament to do so, or appoint a regulator to do so. Audit has no such authority under the Act (or any other statute) explicitly or even by implication.

Audit seeks to tax EGR based on conditions that do not exist or simply to impose conditions which they have no authority to impose. Whether this usurpation of authority takes the form of a reassessment does not matter and

²⁴ *Canada Trustco Mortgage Co. v Canada*, 2005 SCC 54 at para. 12.

²⁵ *65302 British Columbia Ltd. v. Canada*, [1999] 3 S.C.R. 804 at para. 56.

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it becomes particularly troublesome where the basis of that reassessment is kept secret (under the guise of confidentiality).

From a certainty standpoint, the Proposal and its implications are particularly troubling. In particular:

- *What are the rules for ITCs now?*
- *Is Audit saying that EGR should not pay tax on its unrefined gold purchases? Or is Audit's sole issue only in respect of alleged “illegitimate” purchases?*
- *How does Audit suggest that taxpayers should ascertain the difference between “illegitimate” purchases and the “legitimate” ones? What if they do not know?*
- *Isn't the real question here that the 66 suppliers in question, or someone else in the supply chain, did not presumably remit to Her Majesty the tax EGR paid to them? Is the context that presumably the CRA is unable to recover the tax from them?*
- *How would the Agency have EGR (or any taxpayer) sufficiently verify that a supplier will remit tax payable and be diligent to the satisfaction of Audit under the existing legal regime under the Act?*
- *How realistic is that model in real life terms of Canadian business, with transactions taking place weeks, months or even a year before tax is supposed to be remitted?*
- *Lastly, does Audit's theoretical model extend also to each and every stage in the supply chain. Is every participant in the chain responsible infinitely for the compliance of others?*

(b) Unpredictability

Taxpayers have the right to plan their affairs and conduct their business based on the laws as they exist. Here, not only is the Proposal not rooted in the legislation and the jurisprudence, the taxation model it proposes would vary based on the occurrence of future events or the mental state of a particular participant in the subject transactions.

From a predictability standpoint, the Proposal is particularly egregious in this case as EGR made submissions to the CRA Rulings Division and Department of Finance which led to the issuance of the 2013 Ruling. In making those submissions, EGR advocated to not be required to pay

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GST/HST to its suppliers and explicitly warned that such requirement to pay tax might result in further tax leakage or, potentially, tax evasion.

Despite these warnings, the Ruling makes it clear that EGR is entitled to its ITCs on its purchases of gold provided the conditions in section 169 are met. While Rulings was fully aware of potential for tax leakage or evasion (e.g., suppliers failing to remit GST/HST collected), the Ruling contains no qualifications relating to those issues or otherwise and certainly no hint to Audit's novel additional condition based on the legitimacy of some transaction in the supply chain.

EGR has been relying on the Ruling. It had to change its business practices and begin to consistently pay GST/HST on its purchases. Parallel to the Ruling, EGR's suppliers began to increasingly charge GST/HST to EGR when it purchased unrefined gold because those suppliers were pressured by Audit issuing harsh reassessments against them if they did not charge EGR GST/HST.

Now, eight years after the fact and its own audit results, Audit has taken upon itself to ignore the Ruling completely for no reason. This is shocking. The Proposal does not even mention the Ruling. This is conspicuous.

Has the Agency resiled from its 2013 Ruling and its own prior practices?

Remember also, under the **Taxpayer Bill of Rights**, EGR has "*the right to have the law applied consistently*".

(c) Unfairness

The Proposal seeks to annihilate EGR alleging suppliers somewhere in the supply chain did not remit tax due or received. This is no doubt an unfortunate course of events, but why is Audit trying to put the blame on this particular taxpayer who gave the CRA and the Department of Finance fair warning and consistent full disclosure?

During the last 15 years, EGR has been subject to at least three separate major audits, subjected to no less than 9 different assessing theories by approximately ten different auditors. During that period, its affairs have been scrutinized by Audit, its refund claims systematically withheld for additional scrutiny. Starting in early 2018, the scrutiny has accelerated and EGR has been literally living in a "fish bowl" under the careful observation of Audit. While under that watch, EGR continued to carry on its business, including with those 66 suppliers that are at the heart of the Proposal. EGR even proposed to work with the CRA to pay the tax to suppliers "pre-approved" by the CRA. Now the watchman wants to use a sledgehammer to destroy a

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family business that goes back generations; all of that on the pretext of EGR being a participant in an amorphous carousel scheme. Put bluntly, Audit wants to punish EGR because it did its business and there is a suspicion of tax evasion by some of its suppliers or these suppliers' suppliers. Guilty by association is what the Proposal claims. Yet we are provided with no law, no facts, no due process, no warning, not even a generic notification condemning carousel schemes on the CRA's website.²⁶ So much for EGR's transparency and collaboration with the authorities!

How unfair can this be?

In these circumstances, one can legitimately ask what is Audit aiming to achieve with its astronomical (but baseless) Proposal and why?

We have demonstrated that the Proposal has no basis in law and in fact. It is therefore unsustainable and no reassessment action may be legitimately initiated while its outstanding ITC refund claims should be processed in the normal course.

Unfortunately, there is more. The Proposal also raises serious questions about the propriety of Audit's actions in this case. The lack of due process tends to confirm that now is the right time to ask those questions. Particularly troubling are Audit's withholding of relevant information, under the guise of confidentiality, and the refusal of giving the taxpayer a reasonable (and otherwise routine) extension of time to make submissions.²⁷

In the circumstances, we plan to escalate the matter to Mr. Ted Gallivan, Assistant Commissioner before a decision is made on the Proposal. In the meantime, and in the spirit of collaboration, we are asking for a meeting/call with you, your colleagues from Audit and the relevant HQ personnel to walk through these submissions and the responses to the questions they raise. In the interim, kindly refrain from taking any assessing action in this matter. If for any reason, you intend not acceding to this reasonable request given the critical

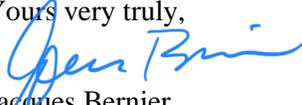
²⁶ Remember, the **Taxpayer Bill of Rights** provides that EGR has "the right to expect [*the CRA*] to warn [EGR] about questionable tax schemes in a timely manner".

²⁷ We must note for the record that the reasons for not giving the Taxpayer more than 28 business days to respond to a \$194 million Proposal (in the midst of the COVID-19 pandemic) are particularly revealing and troublesome: (i) no further extension will be given because Audit could not see how it can change its mind; (ii) the audit has taken long enough; and (iii) this matter is "high-risk". Notably, the possible expiry of the limitation period was not a concern to Audit in refusing reasonable time to EGR to make representations. Had Audit asked for a waiver of time limit (as this is standard practice), EGR would have given one in line with its long-standing cooperation with the Agency.

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nature and gravity of any action you may take on EGR and the Salama Family, I ask that you contact me before taking such action.

Yours very truly,

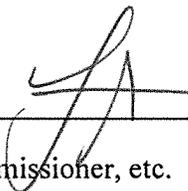

Jacques Bernier
Partner*

* Denotes Professional Corporation

416-865-6903
Jacques.Bernier@bakermckenzie.com

- c. Atef Salama
Express Gold Refining Ltd.
- c. Danny Cisterna
Partner, Indirect Tax
Deloitte LLP
- c. Cathy Gadzella, Team Leader
GST/HST Audit Division
Saskatchewan Tax Services Office
- c. Gisele Wonta
Saskatchewan Tax Services Office
- c. Jolene Baynes
Saskatchewan Tax Services Office
- c. Jennifer Ryan
Director General, GST/HST Directorate
CRA Headquarters
- c. Paul Stesco
Senior Advisor, GST/HST Directorate
CRA Headquarters
- c. Sylvain Lessard
Director, GST/HST Directorate
CRA Headquarters
- c. Vance Smith
Manager
CRA Headquarters

This is **Exhibit "FF"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JA', is written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R



Sudbury ON P3A 5C1

EXPRESS GOLD REFINING LTD
 C/O ATEF SALAMA
 400 - 215 VICTORIA ST
 TORONTO ON M5B 1T9

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

0000033

**NOTICE OF (RE)ASSESSMENT
 GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

RESULTS

This notice explains the results of our audit (re)assessment of return(s) you have or may have previously filed. Please refer to the "Summary of (Re)Assessment" for the specific period(s) covered.

Result of this (Re)Assessment	\$ 189,531,562.93
Prior Balance	\$ 11,915,953.48 Cr
	=====
Total Balance	\$ 177,615,609.45

Payments will not appear on this notice of assessment if we have not processed your payment yet. If you have already paid the balance owing, please ignore this message and accept our thanks.

To see the latest account information, including payment transactions, go to canada.ca/my-cra-business-account on the CRA's website.

We may take legal action to collect debts that are not paid voluntarily.

Need to make a payment? Pre-authorized debit is now available for businesses. At your convenience, a pre-authorized debit agreement can be set up using the CRA's My Business Account service. For more information on payment options, go to canada.ca/payments.

Please keep this Notice of (Re)Assessment for your records.

For more information, phone or write to:

Toronto Centre Tax Services
 1 Front Street West
 Toronto ON M5J 2X6
 Toll free number 1-800-959-5525 (Canada and United States)

Bob Hamilton
 Commissioner of Revenue





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Date	July 29, 2020
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Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/06/01 To: 2016/06/30

Reference Number: 16210000532360775

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,283,633.87 Cr	\$	293,481.37 Cr	\$	1,990,152.50
Section 285 Penalty	\$ 250.00	\$	497,788.12	\$	497,538.12
					=====
			Net Adjustment	\$	2,487,690.62
Interest and Penalty				\$	1,641.72
Refund Interest				\$	551,021.50
Arrears Interest					=====
			Result of (Re)Assessment	\$	3,040,353.84

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

The amount of refund interest shown is a debit adjustment to interest that we previously paid to you. You can deduct this amount from your income in the reporting period you pay it.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

EXPRESS GOLD REFINING LTD

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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/07/01 To: 2016/07/31

Reference Number: 16229000332360718

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 2,375,321.61 Cr	\$ 307,641.50 Cr	\$ 2,067,680.11
Section 285 Penalty	\$ 0.00	\$ 516,920.02	\$ 516,920.02
		Net Adjustment	\$ 2,584,600.13
Interest and Penalty			\$ 454.37
Refund Interest			\$ 571,225.74
Arrears Interest			
		Result of (Re)Assessment	\$ 3,156,280.24

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We charged you a penalty under section 285 of Part IX of the Excise Tax Act.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

The amount of refund interest shown is a debit adjustment to interest that we previously paid to you. You can deduct this amount from your income in the reporting period you pay it.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/08/01 To: 2016/08/31

Reference Number: 16253000232360096

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,477,870.58 Cr	\$	412,118.93 Cr	\$	2,065,751.65
Section 285 Penalty	\$ 805.22	\$	517,243.13	\$	516,437.91
					=====
			Net Adjustment	\$	2,582,189.56
Interest and Penalty				\$	567,070.64
Arrears Interest				\$	567,070.64
					=====
			Result of (Re)Assessment	\$	3,149,260.20

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



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Date	July 29, 2020
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Period Covered	2016-06-01 to 2018-10-31

0000035

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/09/01 To: 2016/09/30

Reference Number: 16280000232360854

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 2,347,821.90 Cr	\$ 688,702.94 Cr	\$ 1,659,118.96
Section 285 Penalty	\$ 20,564.81	\$ 435,344.55	\$ 414,779.74
		Net Adjustment	\$ 2,073,898.70
Interest and Penalty			\$ 446,960.86
Arrears Interest			\$ 446,960.86
		Result of (Re)Assessment	\$ 2,520,859.56

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/10/01 To: 2016/10/31

Reference Number: 16313000332360184

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,322,045.20 Cr	\$	665,816.56 Cr	\$	1,656,228.64
Section 285 Penalty	\$ 31,439.35	\$	445,496.51	\$	414,057.16
					=====
			Net Adjustment	\$	2,070,285.80
Interest and Penalty				\$	436,438.58
Arrears Interest				\$	436,438.58
					=====
			Result of (Re)Assessment	\$	2,506,724.38

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

0000036

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/11/01 To: 2016/11/30

Reference Number: 16348000332360049

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 2,950,515.24 Cr	\$ 629,080.79 Cr	\$ 2,321,434.45
Section 285 Penalty	\$ 9,165.22	\$ 589,523.83	\$ 580,358.61
		Net Adjustment	\$ 2,901,793.06
Interest and Penalty			\$ 595,352.67
Arrears Interest			\$ 595,352.67
		Result of (Re)Assessment	\$ 3,497,145.73

EXPLANATION

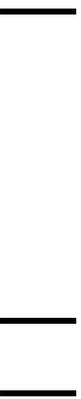
The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2016/12/01 To: 2016/12/31

Reference Number: 17013000232360663

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 2,499,291.97 Cr	\$	362,971.45 Cr	\$	2,136,320.52
Section 285 Penalty	\$ 28,109.56	\$	562,189.69	\$	534,080.13
					=====
			Net Adjustment	\$	2,670,400.65
Interest and Penalty				\$	531,035.19
Arrears Interest				\$	531,035.19
					=====
			Result of (Re)Assessment	\$	3,201,435.84

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
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0000037

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/01/01 To: 2017/01/31

Reference Number: 17045000132360951

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 3,758,126.41 Cr	\$ 561,185.94 Cr	\$ 3,196,940.47
Section 285 Penalty	\$ 71,853.15	\$ 871,088.26	\$ 799,235.11
		Net Adjustment	\$ 3,996,175.58
Interest and Penalty			\$ 771,519.42
Arrears Interest			\$ 771,519.42
		Result of (Re)Assessment	\$ 4,767,695.00

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





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Date	July 29, 2020
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Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/02/01 To: 2017/02/28

Reference Number: 17079000232360072

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 3,497,275.82 Cr	\$	458,953.11 Cr	\$	3,038,322.71
Section 285 Penalty	\$ 37,011.36	\$	796,592.03	\$	759,580.67
			Net Adjustment	\$	3,797,903.38
Interest and Penalty				\$	720,164.09
Arrears Interest				\$	720,164.09
			Result of (Re)Assessment	\$	4,518,067.47

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/03/01 To: 2017/03/31

Reference Number: 17096000332360726

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 4,160,068.83 Cr	\$ 648,867.05 Cr	\$ 3,511,201.78
Section 285 Penalty	\$ 25,015.19	\$ 902,815.63	\$ 877,800.44
		Net Adjustment	\$ 4,389,002.22
Interest and Penalty			\$ 815,969.15
Arrears Interest			\$ 815,969.15
		Result of (Re)Assessment	\$ 5,204,971.37

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





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Date	July 29, 2020
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Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/04/01 To: 2017/04/30

Reference Number: 17124000332360397

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 4,309,559.46 Cr	\$	283,693.59 Cr	\$	4,025,865.87
Section 285 Penalty	\$ 6,996.43	\$	1,013,462.89	\$	1,006,466.46
			Net Adjustment	\$	5,032,332.33
Interest and Penalty				\$	913,542.47
Arrears Interest				\$	5,945,874.80
			Result of (Re)Assessment	\$	5,945,874.80

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/05/01 To: 2017/05/31

Reference Number: 17159000232360099

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 5,255,463.33 Cr	\$ 340,239.42 Cr	\$ 4,915,223.91
Section 285 Penalty	\$ 7,238.08	\$ 1,236,044.05	\$ 1,228,805.97
		Net Adjustment	\$ 6,144,029.88
Interest and Penalty			\$ 1,081,622.69
Arrears Interest			\$ 7,225,652.57
		Result of (Re)Assessment	\$ 7,225,652.57

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/06/01 To: 2017/06/30

Reference Number: 17194000332360585

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 4,607,127.14 Cr	\$	299,592.08 Cr	\$	4,307,535.06
Section 285 Penalty	\$ 250.00	\$	1,077,133.76	\$	1,076,883.76
					=====
			Net Adjustment	\$	5,384,418.82
Interest and Penalty				\$	913,468.35
Arrears Interest				\$	913,468.35
					=====
			Result of (Re)Assessment	\$	6,297,887.17

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
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Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/07/01 To: 2017/07/31

Reference Number: 17222000232360547

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 3,294,462.99 Cr	\$ 228,909.45 Cr	\$ 3,065,553.54
Section 285 Penalty	\$ 41,090.04	\$ 807,478.42	\$ 766,388.38
		Net Adjustment	\$ 3,831,941.92
Interest and Penalty			\$ 635,992.55
Arrears Interest			\$ 4,467,934.47
		Result of (Re)Assessment	\$ 4,467,934.47

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/08/01 To: 2017/08/31

Reference Number: 17251000232360329

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 5,151,834.11 Cr	\$	203,415.77 Cr	\$	4,948,418.34
Section 285 Penalty	\$ 46,315.54	\$	1,283,420.12	\$	1,237,104.58
			Net Adjustment	\$	6,185,522.92
Interest and Penalty				\$	997,830.78
Arrears Interest				\$	997,830.78
			Result of (Re)Assessment	\$	7,183,353.70

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



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Date	July 29, 2020
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Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/09/01 To: 2017/09/30

Reference Number: 17279000232360878

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 5,553,268.63 Cr	\$ 246,031.32 Cr	\$ 5,307,237.31
Section 285 Penalty	\$ 81,790.15	\$ 1,408,599.47	\$ 1,326,809.32
		Net Adjustment	\$ 6,634,046.63
Interest and Penalty			\$ 1,039,222.39
Arrears Interest			\$ 7,673,269.02
		Result of (Re)Assessment	\$ 7,673,269.02

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/10/01 To: 2017/10/31

Reference Number: 17311000232360947

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 6,551,174.21 Cr	\$	300,253.99 Cr	\$	6,250,920.22
Section 285 Penalty	\$ 78,845.15	\$	1,641,575.20	\$	1,562,730.05
					=====
			Net Adjustment	\$	7,813,650.27
Interest and Penalty				\$	1,182,013.28
Arrears Interest				\$	1,182,013.28
					=====
			Result of (Re)Assessment	\$	8,995,663.55

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/11/01 To: 2017/11/30

Reference Number: 17342000232360814

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 5,617,118.52 Cr	\$ 217,953.90 Cr	\$ 5,399,164.62
Section 285 Penalty	\$ 157,574.54	\$ 1,507,365.69	\$ 1,349,791.15
		Net Adjustment	\$ 6,748,955.77
Interest and Penalty			\$ 976,966.12
Arrears Interest			
		Result of (Re)Assessment	\$ 7,725,921.89

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2017/12/01 To: 2017/12/31

Reference Number: 18009000132360858

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 3,149,383.24 Cr	\$	167,674.80 Cr	\$	2,981,708.44
Section 285 Penalty	\$ 105,891.03	\$	851,318.14	\$	745,427.11
					=====
			Net Adjustment	\$	3,727,135.55
Interest and Penalty				\$	529,869.50
Arrears Interest				\$	=====
			Result of (Re)Assessment	\$	4,257,005.05

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/01/01 To: 2018/01/31

Reference Number: 18039000232360241

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 5,475,346.98 Cr	\$ 290,213.66 Cr	\$ 5,185,133.32
Section 285 Penalty	\$ 223,498.53	\$ 1,519,781.86	\$ 1,296,283.33
		Net Adjustment	\$ 6,481,416.65
Interest and Penalty			\$ 889,054.08
Arrears Interest			\$ 889,054.08
		Result of (Re)Assessment	\$ 7,370,470.73

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/02/01 To: 2018/02/28

Reference Number: 18068000232360252

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 6,454,163.15 Cr	\$	261,322.89 Cr	\$	6,192,840.26
Section 285 Penalty	\$ 303,199.83	\$	1,851,409.89	\$	1,548,210.06
			Net Adjustment	\$	7,741,050.32
Interest and Penalty				\$	1,026,459.13
Arrears Interest				\$	8,767,509.45
			Result of (Re)Assessment	\$	8,767,509.45

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.



EXPRESS GOLD REFINING LTD

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/03/01 To: 2018/03/31

Reference Number: 18094000332360575

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 7,997,175.15 Cr	\$ 256,171.88 Cr	\$ 7,741,003.27
Section 285 Penalty	\$ 158,628.27	\$ 2,093,879.08	\$ 1,935,250.81
		Net Adjustment	\$ 9,676,254.08
Interest and Penalty			\$ 1,237,289.59
Arrears Interest			\$ 10,913,543.67
		Result of (Re)Assessment	\$ 10,913,543.67

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/04/01 To: 2018/04/30

Reference Number: 18124000232360555

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 6,181,111.39 Cr	\$ 293,355.23 Cr	\$ 5,887,756.16
Section 285 Penalty	\$ 209,484.53	\$ 1,681,423.57	\$ 1,471,939.04
		Net Adjustment	\$ 7,359,695.20
Interest and Penalty			\$ 899,972.12
Arrears Interest			\$ 899,972.12
		Result of (Re)Assessment	\$ 8,259,667.32

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/05/01 To: 2018/05/31

Reference Number: 18165000332360498

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 7,767,634.16 Cr	\$ 260,977.73 Cr	\$ 7,506,656.43
Section 285 Penalty	\$ 316,780.16	\$ 2,193,444.26	\$ 1,876,664.10
		Net Adjustment	\$ 9,383,320.53
Interest and Penalty			\$ 1,066,788.72
Arrears Interest			\$ 10,450,109.25
		Result of (Re)Assessment	\$ 10,450,109.25

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/06/01 To: 2018/06/30

Reference Number: 18194000232360167

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 6,876,954.64 Cr	\$	264,809.23 Cr	\$	6,612,145.41
Section 285 Penalty	\$ 353,308.38	\$	2,006,344.73	\$	1,653,036.35
			Net Adjustment	\$	8,265,181.76
Interest and Penalty				\$	908,498.95
Arrears Interest				\$	908,498.95
			Result of (Re)Assessment	\$	9,173,680.71

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/07/01 To: 2018/07/31

Reference Number: 18225000232360711

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 6,114,097.26 Cr	\$ 229,340.07 Cr	\$ 5,884,757.19
Section 285 Penalty	\$ 202,232.97	\$ 1,673,422.26	\$ 1,471,189.29
		Net Adjustment	\$ 7,355,946.48
Interest and Penalty			\$ 752,086.06
Arrears Interest			\$ 8,108,032.54
		Result of (Re)Assessment	\$ 8,108,032.54

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

Because of this reassessment, we adjusted the section 285 penalty.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.





EXPRESS GOLD REFINING LTD

Date	July 29, 2020
Business Number	13855 7095 RT0001
Period Covered	2016-06-01 to 2018-10-31

**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/08/01 To: 2018/08/31

Reference Number: 18249000232360054

	Previous Assessment		Revised Assessment		Adjustments
Net Tax	\$ 9,128,196.67 Cr	\$	345,259.58 Cr	\$	8,782,937.09
Section 285 Penalty	\$ 0.00	\$	2,195,734.27	\$	2,195,734.27
			Net Adjustment	\$	10,978,671.36
Interest and Penalty				\$	181,040.50
Arrears Interest				\$	181,040.50
			Result of (Re)Assessment	\$	11,159,711.86

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We charged you a penalty under section 285 of Part IX of the Excise Tax Act.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
Business Number	13855 7095 RT0001
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/09/01 To: 2018/09/30

Reference Number: 18277000232360759

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 8,595,018.21 Cr	\$ 503,983.99 Cr	\$ 8,091,034.22
Section 285 Penalty	\$ 0.00	\$ 2,022,758.55	\$ 2,022,758.55
		Net Adjustment	\$ 10,113,792.77
Interest and Penalty			\$ 701,626.80
Arrears Interest			\$ 10,815,419.57
		Result of (Re)Assessment	\$ 10,815,419.57

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We charged you a penalty under section 285 of Part IX of the Excise Tax Act.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

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Date	July 29, 2020
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**NOTICE OF (RE)ASSESSMENT
GOODS AND SERVICES TAX/HARMONIZED SALES TAX (GST/HST)**

SUMMARY OF (RE)ASSESSMENT

RE: GST/HST Return

Reporting Period From: 2018/10/01 To: 2018/10/31

Reference Number: 18318000232360028

	Previous Assessment	Revised Assessment	Adjustments
Net Tax	\$ 7,161,366.90 Cr	\$ 420,052.75 Cr	\$ 6,741,314.15
Section 285 Penalty	\$ 0.00	\$ 1,685,328.53	\$ 1,685,328.53
		Net Adjustment	\$ 8,426,642.68
Interest and Penalty			\$ 751,419.30
Arrears Interest			\$ 751,419.30
		Result of (Re)Assessment	\$ 9,178,061.98

EXPLANATION

The Net Tax amount does not take into consideration any rebate, instalment or payment amounts that have been applied to the account.

We charged you a penalty under section 285 of Part IX of the Excise Tax Act.

The details of your assessment were displayed on the statement of audit adjustments we provided to you previously during the audit.

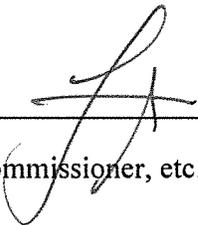
We have charged you arrears interest because you did not pay the amount owing by the due date.

For your information we have attached a statement explaining how we have calculated interest.

GENERAL INFORMATION

For more information on Notices of (Re)Assessment, and your objection and appeal rights, see Guide RC4022, General Information for GST/HST Registrants, or visit canada.ca/revenue-agency. To prevent unnecessary delays when you correspond with us, please provide your Business Number.

This is **Exhibit "GG"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14 day
of October, 2020



A Commissioner, etc.

JANINE ABULUYAN - 80807R

Court File No: 2020-1214(GST)G

TAX COURT OF CANADA

B E T W E E N:

EXPRESS GOLD REFINING LTD.

Appellant

- and -

HER MAJESTY THE QUEEN

Respondent

FRESH AS AMENDED NOTICE OF APPEAL

1. The Appellant has its principal place of business at 215 Victoria Street #400, Toronto, Ontario M5B 1T9.
2. The twenty-six reassessments under appeal are dated July 29, 2020 (the "**2020 Reassessments**") and were issued under the *Excise Tax Act*¹ (the "**Act**") for the Appellant's corresponding monthly Goods and Services Tax/Harmonized Sales Tax ("**GST/HST**") reporting periods from June 1, 2016 to July 31, 2018 (the "**Reporting Periods**").

¹ In this Fresh as Amended Notice of Appeal, all statutory references are to the *Excise Tax Act*, (R.S.C., 1985, c. E-15) unless otherwise indicated.

OVERVIEW

3. The recycling industry produces approximately 25% of the worldwide pure gold supply. The Appellant operates in that industry as a refiner. It is a family-owned and operated business and the current iteration of the Salama family's involvement in the precious metals business that spans back four generations.
4. The Appellant employs 14 people and operates a specialized facility in downtown Toronto where it carries on its refining business performing various refining functions while arranging for the final stages of refining to be conducted by world-class, third-party, refiners. Its customer base is comprised primarily of jewellery manufacturers, wholesalers, importers/exporters, scrap gold consolidators/resellers, cash-for-gold buyers, prospectors and miners who seek to have their unrefined gold converted to pure gold (a precious metal) so it can be used in industry, manufacturing, trade (mostly as currency), investment or speculation.
5. The Appellant has historically viewed itself as a provider of a service, typically earning 1-2% of the value of the gold refined as gross revenue. Despite this historical view of its business, the Act treats the Appellant's core business activity as a buy/sell of gold – namely, a purchase of GST/HST-taxable unrefined gold and a sale of GST/HST-zero-rated precious metal.

6. As a result, the Appellant is generally required to pay GST/HST to its customers on its "purchase" of unrefined gold (equal to 13% of the gold value that it refines) and claim corresponding ITCs; however, it does not collect GST/HST on its "sale" of pure gold, placing it in a constant large monthly GST/HST net tax refund position.
7. The Appellant historically advocated against this treatment for GST/HST purposes, on the basis that it would have negative cash flow implications and increase tax leakage risk. Such treatment was confirmed by the CRA in a 2013 ruling, which was the culmination of constant and extensive audit activity, as well as substantial interaction between the Appellant, the CRA and the Department of Finance; the Appellant's business having been conducted under the close and constant scrutiny of the CRA ever since.
8. After all of this, the CRA is now alleging that the Appellant is a participant in some scheme that would exploit the anomalous GST/HST treatment that the Appellant advocated against. Specifically, the Appellant has been reassessed contrary to the CRA's own ruling and the Act, on the basis of multiple alternative, sometimes intertwined, baseless theories.
9. The CRA has denied the Appellant's ITCs principally on the theory that they arose in the context of some "carousel scheme" and that the Appellant was a participant in such scheme, either knowingly or through willful blindness. Gross negligence penalties have also been levied.
10. However, the "how", "when", "with whom" and "why" of those spurious allegations all remain a mystery to the Appellant; the CRA having been extremely secretive and vague in describing its bases when reassessing.

11. There was nothing nefarious about the Appellant's business or its purchases of unrefined gold for which it claimed ITCs. The Appellant purchased unrefined gold and paid GST/HST in good faith as part and parcel of its gold refining business, which involves, by its very nature, cycling of gold through various forms and parties. All of the Appellant's transactions were real, commercial transactions and were properly documented.
12. The Appellant was neither involved in any collusion nor complicity with any of its customers (or any other suppliers in the supply chain) in any scheme to divert GST/HST away from the Respondent nor willfully blind. On the contrary, the Appellant conducted its business at all times in compliance with its legal obligations, including the anomalous GST/HST treatment imposed by the Act.

MATERIAL FACTS

The Appellant's Business

13. The recycling industry contributes approximately 25% of the world's annual gold supply. This industry includes the refining of gold into pure form, which is necessary for market participants to use the precious metals in industry, manufacturing, investment, trade or speculation. The Appellant operates in that industry as a refiner.

14. The Appellant was incorporated under the laws of Ontario in 1994 as the continuation of the Salama family's jewelry business. Since that time, the Appellant has been engaged in the business of refining unrefined gold into pure gold.² The Appellant's business primarily involves:
- a) receiving/buying unrefined gold from customers;
 - b) melting and assaying the unrefined gold to determine the gold content;
 - c) consolidating various lots of unrefined gold and forwarding them to a world-class, third party, refiner for the final stages of refining to convert the lots into pure gold; and
 - d) payment in pure gold, wire, cheque or cash or sale of pure gold to the (often, same) customers.
15. The Appellant is a family-owned and operated business which currently employs 14 people, including principals. It was founded by Nabil Salama, a third generation precious metal dealer, jeweler and lawyer in his native Egypt. Since 2001, Nabil Salama's son, Atef Salama, P. Eng., M. Eng., has been managing the Appellant's operations.
16. To carry on its business, the Appellant maintains a 5200 square foot facility. It comprises a dedicated customer area, with 11 customer booths as well as a melt room with 5 induction furnaces, 1 gas torch, 1 large burning oven, 3 x-ray assay machines, 3 wet chemical analysis assay machines, 13 scales, 2 class 3 safes, and multiple desks and computers.

² For completeness, the Appellant's business involves refining four types of precious metals (gold, silver, platinum and palladium); gold being the most important one by far. Since the Reassessments involve only gold transactions, these are the focus of this appeal.

17. During the Reporting Periods, the Appellant transacted business with approximately 1300 different refining customers, consisting primarily of jewellers, jewelry manufacturers, wholesalers, resellers/consolidators and prospectors and miners. The Appellant's good reputation and its ability to provide customers with refined gold on a timely basis³ are key factors in it being a leader in the refining industry.
18. Each of those customers attended the Appellant's facility (or in some cases utilized armored delivery services) to provide the Appellant unrefined gold to be refined. As described in additional detail below, this provision of unrefined gold to the Appellant for refining constitutes a supply by way of sale of the unrefined gold by the customer to the Appellant for GST/HST purposes.
19. For each of those purchases, the Appellant (through multiple employees) performed the following functions:
 - a) identify and validate the identity of the customer (including the corporation and the individual, where applicable) at the opening of the customer account;
 - b) confirm the identity again at each customer attendance and entry to the Appellant's premises;
 - c) on the limited occasions where armoured delivery was arranged instead of physical attendance by a customer, the Appellant would receive a call from the customer requesting an armored delivery and the armored delivery

³ Hence, the "Express" in Express Gold Refining Ltd.

service would obtain the signature of the customer upon pickup to confirm the identity of the customer;

- d) weigh and inspect the unrefined gold upon receipt in the melt room;
- e) melt/re-melt gold in the presence of the customer, where applicable;
- f) perform multiple assays to determine the purity of the gold;
- g) secure the gold after melting;
- h) settle pricing with the customer, based on posted market prices;
- i) provide an assay and settlement report to the customer;
- j) settle the transaction either with pure gold, payment in money (*e.g.*, draft, wire, cheque, cash), or through holding an equivalent quantity of pure gold on account for the customer;
- k) undertake a hedge position against purchases;
- l) consolidate melted bars into lots to be delivered to the third-party, final refiner for further refining; and
- m) settle with the third-party, final refiner by applying the value of the gold to the Appellant's pool account that it maintains with the final refiner and subsequently:
 - i. taking back the refined gold in the form of investment-grade, gold bars; and/or
 - ii. selling the refined gold to the final refiner and receiving a wire payment as consideration for the transaction.

20. Over the years, and during the Reporting Periods, the Appellant dealt with well-established third-party, final refiners, including the Royal Canadian Mint and, primarily, Asahi Refining Canada Limited ("**Asahi Refining**"), to perform the last stages in the refining process: chemical separation of the gold, pouring the pure gold into ingots/bars and affixing London Bullion Market Association purity seals. Asahi Refining is the Canadian subsidiary of Asahi Holdings, Inc., a publicly-listed company on the Tokyo Stock Exchange. It purchased the Canadian refining business of Johnson Matthey in 2016.
21. The Appellant's customers charged GST/HST to the Appellant, as applicable, and such GST/HST was paid by the Appellant and claimed by the Appellant as input tax credits ("**ITC(s)**").
22. Although the Appellant was *charged* applicable GST/HST at the time of the transaction, the Appellant typically *did not pay* GST/HST to the customer at that time. Rather, pursuant to its standard customer contract, the Appellant would typically claim the GST/HST charged as an ITC in its monthly GST/HST returns and, once it received the ITC as a net tax refund from the Canada Revenue Agency ("**CRA**"),⁴ it would pay the GST/HST to the customer through cheque or wire transfer. As such, the GST/HST was typically paid to customers approximately 3 months after the transaction occurred. This practice for GST/HST payment was implemented by the Appellant because:

⁴ The Minister of National Revenue and her delegates and agents are referred to collectively throughout as the "**CRA**".

- a) the Appellant could not finance the cash-flow burden of paying 13% of the value of the gold in GST/HST to customers, while only earning its standard 1-2% margin; and
 - b) by the CRA paying out the Appellant's net tax refunds after the Appellant's returns were put through the CRA's refund integrity audit procedures, the Appellant took comfort in the fact that its ITCs were pre-approved by the CRA, prior to paying large sums of GST/HST to its customers (thus, minimizing the potential for abuse).
23. All amounts paid by the Appellant in respect of GST/HST charged by the various customers were paid by the Appellant to the customers as and on account of GST/HST and were taken into account as GST/HST.
24. For each purchase and sale, supporting documentation, including invoices, was prepared in the normal course of business and reported in the Appellant's books and records to reflect the actual transactions that took place between the Appellant and each of its customers.
25. The Appellant exercised diligence and took reasonable precautions at each step of its dealings with its customers. In particular:
- a) before onboarding customers, on opening a customer account, the Appellant followed meticulous processes to document and confirm the identity of its customers and, where applicable, verify their GST/HST registration (through the CRA's online GST/HST registry);
 - b) as a Financial Transactions and Reports Analysis Centre of Canada ("**FINTRAC**") reporting entity, the Appellant complied with strict FINTRAC rules regarding customer identification;

- c) the Appellant maintained its customer records and again confirmed the validity of the customer's GST/HST registration for the time period of any supplies, at the time that the Appellant filed its GST/HST return that included ITC claims referable to that customer;
 - d) the Appellant again confirmed the customer's GST/HST registration at the time of payment of the GST/HST by the Appellant to the customer (as the Appellant typically delayed payment of GST/HST amounts until CRA approved and paid its net tax refunds as described in paragraph 22 above); and
 - e) the Appellant paid all GST/HST charged by customers through traceable means only, that is by cheque payable to the customer or by wire transfer to the customer's account.
26. While its sales volume has been high, due in part to the high value of gold, the Appellant's gross profit margin on gold transactions is low (*i.e.*, typically 1-2%) while being consistent with market rates. This margin is what the Appellant historically considered its "fee" for refining gold. Specifically:
- a) the Appellant purchased its unrefined gold based on the volume of gold content times the market rate, less a 1-2% discount;
 - b) in turn, the Appellant sold the refined product (*i.e.*, pure gold) at the market price; and
 - c) from that gross margin, the Appellant had to pay third-party refining fees, operating expenses and income tax.

GST/HST Returns & History

27. The Appellant is, and was at all material times, registered for the GST/HST pursuant to Part IX of the Act. Its GST/HST returns are filed on a monthly basis.
28. The Appellant's GST/HST returns were prepared typically to include large amounts of ITCs (consisting of the GST/HST paid or payable by the Appellant to its customers) and a comparatively small amount of GST/HST collected (as it sells primarily zero-rated precious metals, namely, pure gold) resulting in net tax refunds claimed by the Appellant pursuant to paragraph 228(3)(b) of the Act.
29. These returns (and underlying characterization of the supplies involved in the Appellant's business) were prepared and filed relying on and in accordance with the detailed, 12-page GST/HST Ruling issued in respect of the Appellant by the CRA Rulings Directorate, Financial Institutions and Real Property Division at CRA Headquarters on January 29, 2013 ("**Ruling**"). Specifically, the Ruling advised that the Appellant's standard transactions consisted of the purchase of GST/HST-taxable unrefined gold and the sale of zero-rated pure gold.
30. The Ruling was the culmination of constant and extensive CRA audit activity of the Appellant over many years, as well as substantial interaction by the Appellant with the CRA and the Department of Finance. The Appellant historically advocated against this GST/HST treatment, on the basis that it would have negative cash flow implications and increase tax leakage risk. The Appellant also expressed to the CRA that it would be supportive of a legislative

change that would permit the Appellant to pay the GST/HST owed to a customer directly to the Receiver General of Canada to the customer's GST/HST account with the CRA. To date, no such legislative change has been made in this respect.

The CRA's Audit and Ensuing Reassessments

31. In September 2018, the CRA ceased to process the Appellant's monthly GST/HST returns and stopped refunding the Appellant's net tax refunds (with July 2018 being the last reporting period for which the return was processed and the refund paid). Instead the CRA began an audit for the periods starting June 1, 2016 through October 31, 2018 (the "**Audit Period**").
32. This audit is one of the many GST/HST reviews and audits performed by the CRA over the last 16 years. The Appellant cooperated with the CRA at all times, providing all requested information on a timely basis.
33. While the audit was progressing, the Appellant initiated an application for judicial review in the Federal Court for a *mandamus* order to require the CRA to pay the Appellant's net tax refunds. The matter was heard on July 3, 2019 and on May 12, 2020 the Federal Court dismissed the application.⁵ In the course of those proceedings, the Respondent's representative gave evidence under oath that:
 - a) the CRA did not have concerns about the Appellant's compliance with the Act;

⁵ *Express Gold Refining Ltd. v. Canada (National Revenue)*, 2020 FC 614.

- b) the compliance of others in the industry was a concern to the CRA; and
- c) the CRA's concerns about non-compliance by other industry participants, including the Appellant's customers, are irrelevant to the Appellant's entitlement to ITCs.

a) The 2019 Reassessments

34. On July 22, 2019, the Appellant received a first set of reassessments for the Reporting Periods ("**2019 Reassessments**" and when referred to collectively with the 2020 Reassessments, the "**Reassessments**"). The 2019 Reassessments increased the Appellant's net tax for the Reporting Periods by denying \$10,028,332.27 in ITCs ("**10 Million ITCs**") and imposed gross negligence penalties under section 285 (and related interest).
35. After receiving the 2019 Reassessments, the Appellant received a Statement of Audit Adjustments from the CRA outlining the basis for the 2019 Reassessments, which alleged that:
- a) The 10 Million ITCs were claimed based on invoices from 10 different customers (the "**Ten Customers**") where no supply of unrefined gold was made;
 - b) "The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations";
 - c) The Ten Customers "did not, and in fact could not have, supplied the unrefined gold purportedly purchased by [the Appellant]" and are "missing traders"... As these missing traders are said to deal directly with [the

Appellant], and yet did not make supplies to [the Appellant], [the Appellant] must have direct involvement in the GST/HST scheme, tantamount to intentional deceit"; and

- d) "Audit has concluded that all of these suppliers are missing traders, and as a result did not supply [the Appellant] with the unrefined gold indicated on the invoices of accommodation. If it can be shown that there was the transfer of physical goods to [the Appellant], it would be our position that this unrefined gold was a supply of debased gold as part of a carousel scheme, and/or that it did not come from the suppliers named on the invoices."

36. The 2019 Reassessments imposed penalties on the basis of section 285. The factors cited by the CRA in applying section 285 penalties were:

- a) "The [Appellant] has sufficient knowledge of taxable supplies and the resources available to determine obligations and liabilities under the [Act]";
- b) "[The Denied ITCs] were claimed based on invoices from 10 different suppliers where no supply of unrefined gold was made"; and
- c) "The invoices created to support this business activity create the illusion of business activities and transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations."

37. On August 20, 2019, the Appellant objected to the 2019 Reassessments. On March 16, 2020, the Appellant filed this Appeal pursuant to paragraph 306(b) of the Act as more than 180 days had elapsed without the CRA reassessing, vacating or confirming the 2019 Reassessments.

b) The 2020 Reassessments

38. On or about July 28, 2020, the CRA completed its audit of the Audit Period and on July 29, 2020, issued the 2020 Reassessments for the Reporting Periods (and also issued assessments for the three other monthly reporting periods comprised in the Audit Period, *i.e.*, August, September and October 2018).⁶ The 2020 Reassessments maintained the denial of the \$10 Million ITCs (and related penalties) and denied additional ITCs in the amount of \$109,874,864.44 for the Reporting Periods (the "**\$110 Million ITCs**" and when referred to together with the \$10 Million ITCs, the "**Denied ITCs**"), and also imposed section 285 penalties in respect of those \$110 Million ITCs.
39. In particular, the 2020 Reassessments disallowed the \$110 Million ITCs properly refunded to the Appellant and paid by it to sixty-two of its customers as GST/HST (the "**Sixty-Two Customers**" and when referred together with the Ten Customers, the "**Subject Customers**").
40. The theory underlying the 2020 Reassessments appears to be that the Appellant was a willing participant in some carousel scheme and for that reason, was not entitled to its ITCs, the "commercial activity" in which the Appellant was involved being allegedly "illegitimate". However, the CRA disclosed very little to the Appellant to support its theories, let alone any evidence that could support them.

⁶ Since the CRA had not yet assessed the August, September and October 2018 reporting periods at the time the original Notice of Appeal was filed (*i.e.*, March 16, 2020), those reporting periods are not at issue in this appeal. The Appellant also objects to the assessments issued for those reporting periods and will be filing a notice of objection in accordance with subsection 301(1.1) for those reporting periods, accordingly.

41. In contrast to the theory underlying the \$10 Million ITCs in the 2019 Reassessments, the CRA's theory underlying the \$110 Million ITCs in the 2020 Reassessments appears to be that the subject purchases of unrefined gold by the Appellant were actual purchases from actual customers in respect of which the information requirements under subsection 169(4) were met but would be purchases of "contrived gold", that is gold being purchased as part of some alleged carousel scheme. By being purchases of "contrived gold", such purchases would no longer meet the definition of "commercial activity" in the Act with the consequence that the Appellant was no longer entitled to its ITCs.
42. The basis for imposing penalties under section 285 was that the Appellant was a "willing participant" in some alleged carousel scheme either knowingly or alternatively, by virtue of being "willfully blind".

Additional Facts Relating Specifically to the CRA's Theories

43. There was nothing nefarious about the Appellant's business, its purchases of unrefined gold, its sale or payment of pure gold, or the gold recycling industry more generally.
44. At all times, the Appellant purchased unrefined gold and paid GST/HST in good faith as part of its refining business. All of the relevant transactions were real, commercial transactions, were properly documented and met the statutory requirements to claim ITCs. The Appellant did not participate in any carousel scheme.

45. In connection with the allegations raised in respect of the \$10 Million ITCs, the Appellant states:

- a) the \$10 Million ITCs are referable to GST/HST paid by the Appellant on *bona fide* transactions with each of the Ten Customers, the Appellant having purchased unrefined gold in good faith;
- b) each of the Ten Customers attended – or had unrefined gold delivered to – the Appellant’s premises and sold the Appellant unrefined gold, which the Appellant paid for;
- c) at all times, the Appellant’s intention was to purchase the unrefined gold and it did in fact purchase the unrefined gold from each of the Ten Customers;
- d) these purchases are accurately reflected in the supporting documentation, including invoices;
- e) each of the Ten Customers are real persons, not “missing traders”, and attended the Appellant’s premises to transact business just as all of the Appellant’s other customers did;
- f) each of the Ten Customers went through the same identification controls that all of the Appellant’s other customers did;
- g) each of the Ten Customers were GST/HST-registered when the transactions occurred;
- h) each of the Ten Customers charged the Appellant applicable GST/HST;
- i) the Appellant acquired the unrefined gold for the purpose of making a supply of precious metals, namely the supply of pure gold in bar form, refined to a purity level of 99.5% or more;

- j) within approximately 72 hours after each of those purchases, the Appellant forwarded the unrefined gold purchased from each of the Ten Customers as part of larger lots of unrefined gold to Asahi Refining to be refined;
- k) Asahi Refining further refined the gold by performing its own assay; chemically separating the pure gold content to achieve a 99.99% level of purity; pouring the pure gold into ingots; stamping the ingots specifying the level of purity; and depending on the settlement method, returning the refined gold to the Appellant;
- l) the Appellant obtained evidence containing information to enable the amount of the \$10 Million ITCs to be determined, in the form of supporting documentation, including invoices, prepared in the ordinary course of business, reflecting the purchases the Appellant made from each of the Ten Customers;
- m) the Appellant claimed the \$10 Million ITCs based on this evidence;
- n) this evidence was created in the ordinary course of business in respect of *bona fide* commercial transactions between the Appellant and the Ten Customers;
- o) this evidence was not created to support an illusion of business activities or transactions that have legal rights and obligations that do not exist, or differ from the actual legal rights and obligations;
- p) the Appellant did not receive or rely on invoices of accommodation to claim the \$10 Million ITCs;
- q) the Appellant claimed the \$10 Million ITCs in its GST/HST returns for the Reporting Periods;

- r) the Appellant paid the amount of GST/HST charged by the Ten Customers on the relevant transactions through cheque or wire transfer to the Ten Customers from the Appellant's bank account;
 - s) these GST/HST payments did not occur until the Appellant claimed the GST/HST amounts as ITCs in its monthly GST/HST returns and the CRA paid the Appellant its net tax refunds, with the payments typically being made approximately three months after the relevant transaction occurred;
 - t) the Appellant paid the amount of GST/HST charged by the Ten Customers on the relevant transactions as and on account of GST/HST and the amount was taken into account as GST/HST; and
 - u) the Appellant was not involved in any sham, carousel scheme or any other nefarious activity, nor was the Appellant a participant to a sham, carousel scheme or any other nefarious activity either knowingly or by virtue of being wilfully blind.
46. In connection with the allegations raised in respect of the \$110 Million ITCs specifically, the Appellant reiterates the facts in the preceding paragraph (but with respect to the \$110 Million ITCs) and further states:
- a) that the subject purchases of unrefined gold were not purchases of "contrived gold" because such purchases were not made as part of a carousel scheme; and
 - b) that the purchases were not made as part of a carousel scheme because the Appellant did not participate in any such scheme or any nefarious activity (even if any customers or someone else in the supply chain were involved

in such a scheme, which is denied) either knowingly or by virtue of being willfully blind.

47. In connection with the Denied ITCs, the Appellant purchased at all times, the unrefined gold in good faith and with a view to complying with its legal obligations, including those under the Act.
48. The Appellant has, over the years, strived to conduct its business in compliance with its legal obligations and with integrity. In particular:
 - a) the Appellant turned away potential customers when they failed to meet the Appellant's strict on-boarding identification requirements;
 - b) no suspicion existed in respect of any of its customers at the time that the transactions occurred;
 - c) the Appellant stopped conducting business with anyone where the CRA advised the Appellant that specific customers might be in default or non-compliant with their GST/HST obligations;
 - d) the Appellant has, for decades, cooperated with the CRA, other regulators and law enforcement agencies over the course of several audits of the Appellant, general investigations of the industry, the request leading to the Ruling, and representations to the Respondent's representatives (namely, the CRA and the Department of Finance);
 - e) the Appellant confirmed that each customer held a valid GST/HST registration from the CRA: (1) on initial intake, (2) on a monthly basis at the time the Appellant filed its GST/HST return that included ITC claims referable to GST/HST paid/payable to that customer, and (3) prior to paying GST/HST to the customer;

- f) the Appellant relied on those verifications before paying GST/HST to its customers, such GST/HST payments always being made by cheque or wire transfer; and
 - g) the Appellant generally did not make GST/HST payments to its customers until the Appellant received its corresponding net tax refund from the CRA and had verified the customer's GST/HST registration number on three separate occasions (as described in subparagraph (e) above).
49. The Appellant did not make or participate in, assent to or acquiesce in the making of a false statement or omission in a return, application, form, certificate, statement, invoice or answer.
50. The Appellant has amended this appeal in accordance with paragraph 302(b) of the Act to appeal the 2020 Reassessments.

ISSUES

51. The issues to be decided in this appeal are as follows:
- a) whether the Appellant is entitled to the Denied ITCs;
 - b) whether, in issuing the Reassessments, the CRA failed to apply an allowable rebate equal to the amount of the Denied ITCs; and
 - c) whether the Appellant is liable for gross negligence penalties.

STATUTORY PROVISIONS

52. The Appellant relies on the following provisions of the Act and regulations:
- a) the definitions of "business", "commercial activity", "consideration", "financial instrument", "financial service", "precious metal", "recipient", "sale", "service", "customer", "supplier", "supply", "taxable supply" and "zero-rated supply" in subsection 123(1) of the Act;
 - b) the following sections of the Act: 153, 165, 169, 221, 222, 225, 228, 229, 240, 242, 261, 275, 285, 296, 301, 302 and 306;
 - c) section 3 of Part IX of Schedule VI of the Act;
 - d) all relevant provisions in the *Input Tax Credit Information (GST/HST) Regulations* (the "**IITC Regulations**"); and
 - e) any other provisions of the Act or the regulations made under the Act that pertain to the issues and reasons set out herein.

REASONS

Issue (a): The Appellant is Entitled to the Denied ITCs

i. Properly Setting the Stage

53. At the outset, the CRA's use and reliance on an overly broad and vague concept of "carousel scheme" is misleading. Remember, the Appellant operates in the recycling industry, a well recognized, *bona fide* industry. By the very nature of its business, the Appellant receives (unrefined) gold from its customers and often, once refined, returns gold (in pure form) to customers for use in, among others, industry and jewelry manufacturing. Once put through such uses it may ultimately be refined again and the cycle continues. This cycling is intrinsic to the Appellant's business, as it has been operating for years, and the recycling industry as a whole. This cycling or "recycling" in the ordinary course of business cannot be a basis to allege that some nefarious scheme is taking place, nor can it be of any relevance in determining the Appellant's entitlement to ITCs.

ii. The Appellant has Complied with the ITC Requirements

54. Pursuant to section 169, the Appellant is entitled to the Denied ITCs if:

- a) the Appellant acquired the unrefined gold during a reporting period of the Appellant during which it was a registrant;
- b) GST/HST in respect of the supply of the unrefined gold became payable by the Appellant or was paid by the Appellant without having become payable;

- c) the Appellant acquired the unrefined gold for consumption, use or supply in the course of its commercial activities; and
- d) the Appellant obtained sufficient evidence in such form containing information to enable the amount of the ITCs to be determined, including information prescribed in the ITC Regulations (the “**ITC Requirement(s)**”).

55. The Appellant has met all four of the ITC Requirements for the Denied ITCs.
56. With respect to ITC Requirement (a), the Appellant acquired the unrefined gold during a reporting period of the Appellant during which it was a registrant, for which the Denied ITCs were claimed. Each of the Subject Customers attended the Appellant’s premises (or had gold delivered to the Appellant’s premises) and sold the Appellant unrefined gold, for which the Denied ITCs were claimed, as indicated above. The Subject Customers were “suppliers” as defined in the Act for purposes of these supplies by way of sale.
57. With respect to ITC Requirement (b), GST/HST in respect of the supply of the unrefined gold became payable by the Appellant, as each sale of unrefined gold by each of the Subject Customers to the Appellant constituted a non-zero-rated, GST/HST-taxable supply, and was thus subject to 13% GST/HST pursuant to section 165, wholly in accordance with the Ruling.

58. The Subject Customers charged the Appellant GST/HST representing 13% of the price of the unrefined gold.
59. Further, and in the alternative, to the extent that GST/HST did not become payable for some reason (which is strictly denied), the Appellant paid GST/HST on the relevant transactions, thus meeting ITC Requirement (b).
60. With respect to ITC Requirement (c), the Appellant acquired the unrefined gold for supply in the course of its commercial activities, namely, in making its taxable supply of precious metals, which were zero-rated financial services pursuant to section 3 of Part IX of Schedule VI of the Act, and thus subject to GST/HST at a 0% rate pursuant to subsection 165(3).
61. With respect to ITC Requirement (d), the Appellant obtained sufficient evidence in such form containing such information to enable the amount of the ITCs to be determined, including information prescribed by the ITC Regulations. This evidence was in the form of supporting documentation, including invoices, prepared in the ordinary course of business.
62. The Appellant reported the Denied ITCs in its calculation of net tax in its GST/HST returns for the Reporting Periods pursuant to sections 169 and 228. Pursuant to section 225, the Denied ITCs were properly claimed as ITCs and included in the Appellant's calculation of net tax for the Reporting Periods.

iii. The Respondent's Theories to Deny the \$110 Million ITCs are Baseless

63. It would appear that the \$110 Million ITCs were denied on two alternative theories as follows: (1) the Appellant was an *active participant* in some carousel scheme and purchased unrefined gold from the Sixty-Two Customers that was part of some carousel scheme; or (2) the Appellant was *willfully blind* to the fact that unrefined gold purchased from the Sixty-Two Customers was part of some carousel scheme.
64. More specifically, while the CRA acknowledged that ITC Requirements (a), (b) and (d) were met for the \$110 Million ITCs, the CRA is alleging that ITC Requirement (c) is not met – namely, that the Appellant did not acquire the unrefined gold in the course of its commercial activities because the unrefined gold purchased was part of some carousel scheme (*i.e.*, "illegitimate" commercial activity).
65. The Appellant did not participate in any carousel scheme (or any other nefarious activity) either knowingly or by willful blindness.
66. What the Appellant did was carry on its business with a view to complying with its legal obligations, including those under the Act while being under close and constant scrutiny by the CRA.
67. Its purchases of unrefined gold were made in good faith at all times. Accordingly, the theory under which the \$110 Million ITCs were denied must fail.

68. Whether there are shortcomings in the supply chain because certain customers are not remitting the GST/HST to the Crown because of some reason such as bankruptcy, or even some sinister activity on their part (which the Appellant denies and puts the Respondent to the strict proof thereof), such circumstances would be of no relevance to the Appellant's entitlement to the \$110 Million ITCs. In particular, the Appellant's entitlement to ITCs is not pre-conditional on the remittance of GST/HST in the supply chain. Similarly, the existence of a "commercial activity" under the Act does not depend on the activity in question being considered "legitimate" or "illegitimate", either in the eyes of the CRA or those of a court.
69. Neither the words nor the spirit of the Act can reasonably support such a theory. Subsection 169(1) is the general rule for ITC entitlement. It simply allows ITCs where the person (in this case, the Appellant) acquired property in the course of its commercial activities. The provision makes no distinction based on whether the relevant commercial activities were "legitimate" or not.
70. The expression "commercial activity" is defined to mean, among others, either a business carried on by the person or adventure or concern in the nature of trade. This definition is broad, has been interpreted broadly and its only exception arises in the case of exempt supplies: an exception which does not apply in this case. "Business" is defined similarly broadly to include an "undertaking of any kind whatever" and "any activity engaged in on a regular or continuous basis that involves the supply of property." There can be no doubt that the Appellant was engaged in a "business" and "commercial activity" for

purposes of the Act when it acquired any unrefined gold and when it supplied any refined gold in the course of carrying on its business.

71. The Act is designed to apply broadly, to apply GST/HST on a wide range of transactions and to meet two primary objectives: (1) to prevent tax cascading and (2) to allow the obligation to pay GST/HST to flow through to the ultimate consumer. This is operationalized through the broad definition of "commercial activity" as indicated above, which begets broad availability of ITCs.

iv. The Respondent's Theories to Deny the \$10 Million ITCs are also Baseless

72. It would appear that the \$10 Million ITCs were denied on two or, perhaps, three alternative theories as follows: (1) no unrefined gold was supplied to the Appellant; (2) any supply of unrefined gold was part of a carousel scheme; and (3) the supply of unrefined gold was not made *by the Ten Customers*.

73. More specifically, while the CRA acknowledged that ITC Requirement (b) described above in subparagraph 54(b) has been met for the \$10 Million ITCs, the CRA is alleging that ITC Requirements (a), (c) and/or (d) have not been met – namely, with respect to the \$10 Million ITCs, that the Appellant did not acquire unrefined gold; alternatively, if the Appellant did acquire unrefined gold, it did not do so in the course of its commercial activities; and/or the ITC information requirements were not met because the Appellant's supporting documentation did not identify the true customers.

74. Theory (1) is baseless because the Ten Customers each attended the Appellant's premises with unrefined gold (or arranged delivery through armored service) and sold unrefined gold to the Appellant, which constituted a GST/HST-taxable supply subject to 13% GST/HST.
75. Theory (2) is baseless for the same reasons specified for the \$110 Million ITCs above in paragraphs 63 through 71.
76. Further, the Appellant's entitlement to ITCs is not contingent on each of the Ten Customers remitting GST/HST to the Respondent and/or not being involved in any sham, carousel scheme or any other nefarious scheme.
77. The Appellant was not part of any sham. A sham requires that both parties to the transaction present their legal rights and obligations to the transaction in a manner that does not reflect the true legal rights and obligations, if any, that the parties intend to create. The legal rights of the Appellant and each of the Ten Customers are accurately reflected in the supporting documentation evidencing the unrefined gold sales.

78. Theory (3) is baseless because each of the Ten Customers were the suppliers of the unrefined gold made to the Appellant, forming the basis for the Appellant's claim for the \$10 Million ITCs. Each of the Ten Customers attended the Appellant's premises (or arranged for armored delivery) and sold the Appellant taxable unrefined gold, for which the Appellant paid applicable GST/HST and claimed the corresponding \$10 Million ITCs. The ITC information maintained by the Appellant specified each of the Ten Customers as suppliers and contains all other requisite information, therefore, the information requirements in subsection 169(4) and the ITC Regulations were met.
79. Further, and in the alternative, even if the unrefined gold had been supplied by anyone other than the Ten Customers (which is strictly denied), the Ten Customers would either be agents or intermediaries of the suppliers of the unrefined gold. As such, the ITC information requirements in subsection 169(4) and the ITC Regulations were met.
80. Lastly, and in the further alternative, even if the unrefined gold had been supplied by anyone other than the Ten Customers and the Ten Customers were not agents or intermediaries of the suppliers of the unrefined gold (which is strictly denied), the Appellant is nonetheless entitled to the Denied ITCs. At all times, the Appellant exercised sufficient diligence and took reasonable precautions to establish the identity of the suppliers of the unrefined gold, which is sufficient to establish its entitlement to the Denied ITCs.

Issue (b): The CRA Failed to Audit to Net Tax in the Reassessments

81. If, as the Respondent contends, no GST/HST was payable by the Appellant to the Subject Customers (which is strictly denied), the Reassessments would nonetheless be wrong in increasing the Appellant's net tax.
82. The Appellant paid its customers an amount equal to the denied ITCs as and/or on account of GST/HST and/or that was taken into account as GST/HST.
83. Accordingly, if no GST/HST was in fact payable (which is strictly denied), the Appellant would have been entitled to a corresponding rebate pursuant to section 261 if claimed in a rebate application made on the date specified in subparagraph 296(2.1)(a)(i).
84. In assessing the Appellant's net tax for the Reporting Periods, the Respondent was required to credit an amount equal to the denied ITCs as an "allowable rebate" pursuant to subsection 296(2.1), thus resulting in no increase to the Appellant's net tax.

Issue (c): The CRA Improperly Applied Section 285 Penalties

85. As there is no basis for the GST/HST adjustments increasing net tax, section 285 penalties cannot apply.
86. Further, and in the alternative, the Appellant has not knowingly, or under circumstances amounting to gross negligence, made or participated in or acquiesced in the making of a false statement or omission in a return or any other document. Accordingly, section 285 penalties do not apply and must be vacated accordingly.

RELIEF SOUGHT

87. The Appellant requests that this Honourable Court allow its appeal, with costs, and refer the matter back to the CRA for reconsideration and reassessment on the basis that the Appellant is entitled to all ITCs claimed for the Reporting Periods, including the Denied ITCs in the amount of \$119,903,196.71.⁷

Toronto, September 11, 2020.



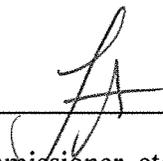
BAKER & McKENZIE LLP
Suite 2100 - 181 Bay Street
Toronto, Ontario M5J 2T3

Jacques Bernier / Bryan Horrigan
Tel: (416) 865-6903 / (416) 865-3905
Fax: (416) 863-6275
jacques.bernier@bakermckenzie.com
bryan.horrigan@bakermckenzie.com

**Counsel for the Appellant,
Express Gold Refining Ltd.**

⁷ The 2020 Reassessments made adjustments to credit the Appellant \$14,682.29 against its net tax for the Reporting Periods as compared to what the Appellant claimed in its GST/HST returns, based on the CRA's review of the Appellant's books and records. The Appellant accepts these adjustments and, therefore, requests that the CRA be directed to reassess the Appellant to allow that credit amount and allow the Denied ITCs.

This is Exhibit "HH" to the
Affidavit of ATEF SALAMA,
sworn before me via
videoconferencing this 14th day
of October, 2020



A Commissioner, etc.

JANINE ABULVYAN - 80807R



COPY

September 17, 2020

Baker & McKenzie LLP
Attn: Bryan Horrigan
Brookfield Place, Bay/Wellington Tower
181 Bay Street, Suite 2100
Toronto ON M5J 2T3

Dear Bryan Horrigan:

Subject: Express Gold Refining Ltd.
Audit of the goods and services tax/harmonized sales tax
(GST/HST) return(s) for the period June 1, 2016 to October 31, 2018
Business Number: 13855 7095 RT0001

This letter is in response to your letter of August 5, 2020 requesting disclosure of certain documents/information from the above noted audit.

Due to ongoing litigation before the Tax Court of Canada we will not be providing any of the documents/information requested in your letter. Please direct all further correspondence to Marilyn Vardy or Jasmeen Mann (Department of Justice Canada), counsel for the Respondent in the appeal before the Tax Court of Canada.

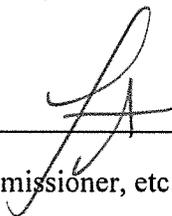
Yours truly,

Jaclyn Bartlett, CPA, CMA
GST/HST Audit Division
Canada Revenue Agency

Telephone: 306-975-4692
Cellphone: 639-916-2283
Fax: 306-975-6723
Address: 340 3rd Avenue North
Saskatoon SK S7K 0A8
Website: canada.ca/revenue-agency

c.c.: Express Gold Refining Ltd.
Attn: Atef Salama

This is **Exhibit "II"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JA', written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R

Express Gold Refining Ltd.

13-week cash flow forecast for the period October 5, 2020 to January 1, 2021

Amounts in CAD, unaudited

Notes	Week Week Ending	1 09-Oct	2 16-Oct	3 23-Oct	4 30-Oct	5 06-Nov	6 13-Nov	7 20-Nov	8 27-Nov	9 04-Dec	10 11-Dec	11 18-Dec	12 25-Dec	13 01-Jan	TOTAL
Receipts															
1	Sales	1,991,741	1,991,741	1,991,741	1,991,741	2,489,676	2,489,676	2,489,676	2,489,676	2,489,676	2,489,676	2,489,676	2,489,676	2,489,676	30,374,053
2	HST refunds	-	-	-	-	-	-	-	257,270	-	-	-	259,007	-	516,277
3	Interest income	2,000	-	-	-	2,000	-	-	-	2,000	-	-	-	2,000	8,000
	Total Receipts	1,993,741	1,991,741	1,991,741	1,991,741	2,491,676	2,489,676	2,489,676	2,746,947	2,491,676	2,489,676	2,489,676	2,748,683	2,491,676	30,898,330
Disbursements															
4	Purchases	1,874,552	1,874,552	1,874,552	1,888,224	2,343,191	2,343,191	2,343,191	2,343,191	2,343,191	2,343,191	2,343,191	2,343,191	2,343,191	28,600,597
5	HST	52,387	51,087	52,011	101,787	51,358	64,033	51,358	92,257	51,358	64,033	51,358	62,733	76,982	822,742
6	Salaries and wages	-	32,477	-	17,926	-	32,477	-	17,926	-	32,477	-	17,926	-	151,212
7	Consulting and professional fees	-	-	-	40,000	-	-	-	70,000	-	-	-	-	40,000	150,000
8	General Administrative Expenses	5,268	5,268	12,378	5,268	6,585	6,585	6,585	13,695	6,585	6,585	6,585	6,585	13,695	101,670
9	Insurance	7,500	5,000	75,000	-	7,500	-	5,000	-	7,500	-	5,000	-	7,500	120,000
10	Rent	-	-	-	-	14,480	-	-	-	14,480	-	-	-	14,480	43,440
11	Advertising and promotion	3,837	3,837	3,837	3,837	4,796	4,796	4,796	4,796	4,796	4,796	4,796	4,796	4,796	58,513
12	Vehicle	2,900	-	-	-	1,427	1,473	-	-	1,427	1,473	-	-	-	8,699
13	Freight	10,000	-	-	-	-	10,000	-	-	-	10,000	-	-	-	30,000
14	Income Tax	-	-	-	10,000	-	-	-	10,000	-	-	-	-	10,000	30,000
	Total Disbursements	1,956,444	1,972,222	2,017,778	2,067,042	2,429,337	2,462,556	2,410,930	2,551,866	2,429,337	2,462,556	2,410,930	2,435,232	2,510,644	30,116,873
Litigation and Restructuring Costs															
	Litigation and Restructuring Costs	37,297	19,520	(26,037)	(75,301)	62,340	27,121	78,746	195,081	62,340	27,121	78,746	313,452	(18,968)	781,458
15	Litigation Costs	-	-	-	150,000	-	-	-	150,000	-	-	-	-	150,000	450,000
16	Restructuring Costs	-	-	-	200,000	-	87,500	-	87,500	-	87,500	-	87,500	-	550,000
	Total Litigation and Restructuring Costs	-	-	-	350,000	-	87,500	-	237,500	-	87,500	-	87,500	150,000	1,000,000
	Net Cash Flow	37,297	19,520	(26,037)	(425,301)	62,340	(60,379)	78,746	(42,419)	62,340	(60,379)	78,746	225,952	(168,968)	(218,542)
17	Opening Cash	4,511,607	4,548,904	4,568,424	4,542,387	4,117,086	4,179,426	4,119,047	4,197,793	4,155,374	4,217,714	4,157,335	4,236,081	4,462,033	4,511,607
	Ending Cash	4,548,904	4,568,424	4,542,387	4,117,086	4,179,426	4,119,047	4,197,793	4,155,374	4,217,714	4,157,335	4,236,081	4,462,033	4,293,065	4,293,065

Notes

General Receipts and disbursements denominated in U.S. Dollars have been converted into Canadian Dollars using an exchange rate of CDN\$1.33 = USD\$1.00.

- 1 Receipts from sales are estimated based on historical average monthly sales, collected weekly.
- 2 The projected tax refunds are estimated based on input tax credits claimed on GST and HST paid to vendors.
- 3 Receipts from interest income earned on deposits.
- 4 These projected disbursements represent payments to suppliers of precious metals such as gold, silver, platinum and palladium bullion in the form of bars. The Company also purchases unrefined bars and scrap gold for refining.
- 5 These projected disbursements represent payments to vendors with respect to GST and HST for purchases of goods and services.
- 6 These projected disbursements include payroll costs for all salaried and hourly employees. The forecast amounts are based on historic run rates. Hourly employees are paid bi-weekly and salaried employees are paid monthly. Payroll disbursements include all employee source deductions, employee and employer portions of CPP and EI, and other payroll-related taxes.
- 7 These projected disbursements include payments to EGR's advisors for corporate matters.
- 8 These projected disbursements include payments related to office supplies, repair and maintenance, telephone and networking, bank charges, travel, software and utilities.
- 9 These projected disbursements include premium payments for general, property and liability insurance, employee benefits and life insurance.
- 10 These projected disbursements include rent payments to Farag Properties Inc., a related party.
- 11 These projected disbursements relate to the various advertising and promotional initiatives.
- 12 These projected disbursements represent vehicle lease and other vehicle-related expenses.
- 13 These projected disbursements represent freight expenses to transport inventory for refining or for delivery to customers.
- 14 These projected disbursements represent corporate income tax instalments.
- 15 These projected disbursements include payments to legal advisors for litigation matters.

- 16 These projected disbursements include payments to EGR's legal advisor for specialist restructuring advice and the fees and costs of the Monitor and its counsel.
- 17 The opening cash balance reflects the estimated cash balance as at the date of the CCAA filing.

This is **Exhibit "JJ"** to the
Affidavit of **ATEF SALAMA**,
sworn before me via
videoconferencing this 14th day
of October, 2020

A handwritten signature in black ink, appearing to be 'JANINE', written over a horizontal line.

A Commissioner, etc.

JANINE ABULUYAN - 80807R



Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Michael Collinge
Tel: +1-416-775-8645
Fax: +1-647-497-6865
mcollinge@deloittelegal.ca
www.deloittelegal.ca

Fax

To:
Blaine McKinley

Office:
Canada Revenue Agency, Collections
Division
New Brunswick Tax Services Office
PO Box 6300 RPO Brunswick Square
Saint John, NB E2L 4H9

Fax Number:
+1-506-636-5716

Copy:

From:
Michael Collinge

Date:
October 9, 2020

Number of pages including this page:
2

If you did not receive all pages, please
call Michael Collinge at +1 416-775-8645

Re: Express Gold Refining Ltd. (Business Number: 1385 57095 RT0001)

Please see the attached.

Deloitte. Legal

Bay Adelaide East
8 Adelaide Street West, Suite 200
Toronto, ON M5H 0A9

Michael Collinge
Tel: +1-416-775-8645
Fax: +1-647-497-6865
mcollinge@deloittelegal.ca
www.deloittelegal.ca

BY FACSIMILE

October 9, 2020

Blaine McKinley
Canada Revenue Agency, Collections Division
New Brunswick Tax Services Office
PO Box 6300 RPO Brunswick Square
Saint John, NB E2L 4H9
Fax: +1-506-636-5716

Dear Mr. McKinley:

RE: Express Gold Refining Ltd. (Business Number: 1385 57095 RT0001)

Thank you for speaking with me yesterday about the collectible balance of Express Gold Refining Ltd. ("EGR"), which arose in connection with the GST/HST notice of reassessment dated July 29, 2020 (the "Collectible Balance"). As discussed, EGR strongly disagrees with the basis for the reassessment and is disputing it by way of objections and an appeal to the Tax Court. EGR is confident that the reassessment will be fully vacated. The purpose of this letter is to memorialize the following points that we agreed to during our conversation yesterday:

- we will contact you on or before the end of the day on Thursday, October 15, 2020 in order to inform you about how EGR intends to proceed regarding the Collectible Balance; and
- the CRA will not take any collection action against EGR until after we inform you about how EGR intends to proceed with respect to the Collectible Balance.

If you disagree with this summary of our discussion, or otherwise wish to discuss this matter, please contact me at 416-775-8645.

Yours truly,



Michael Collinge

Copy: Atef Salama, Express Gold Refining Ltd.

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36**
**AND IN THE MATTER OF A COMPROMISE OR ARRANGEMENT OF
EXPRESS GOLD REFINING LTD.**

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO

AFFIDAVIT OF ATEF SALAMA
(Sworn October 14, 2020)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSO #27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Joël Turgeon (Member of the Bar of Quebec,
Ontario Student-at-Law)

Lawyers for the Applicant

TAB 3

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EXPRESS GOLD REFINING LTD.

CONSENT

DELOITTE RESTRUCTURING INC. hereby consents to act as Court-appointed Monitor of Express Gold Refining Ltd., the Applicant in these proceedings, should the Initial Order be granted as requested.

Dated at Toronto this 14th day of October, 2020.

DELOITTE RESTRUCTURING INC.



Per: _____

Name: Phil Reynolds

Title: Senior Vice-President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF EXPRESS GOLD REFINING LTD.

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

CONSENT

Goldman Sloan Nash and Haber LLP

480 University Avenue
Suite 1600
Toronto, ON M5K 1K7

Mario Forte (LSUC# 27293F)

Email: forte@gsnh.com

Tel: (416) 597-6477

Fax: (416) 597-3370

Lawyers for the Applicant

TAB 4

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)	THURSDAY, THE 15 TH
)	
JUSTICE HAINEY)	DAY OF OCTOBER, 2020

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF EXPRESS GOLD REFINING LTD.
(the "Applicant")**

INITIAL ORDER

THIS INITIAL APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Atef Salama sworn October 14, 2020 and the exhibits thereto (collectively, the "**Salama Affidavit**"), and on reading the pre-filing report of Deloitte Restructuring Inc. ("**Deloitte**") as proposed monitor, and on being advised that there are no secured creditors who are likely to be affected by the charges created herein, and on hearing the submissions of counsel for the Applicant and Deloitte, and on reading the consent of Deloitte to act as the monitor (in such capacity, the "**Monitor**"),

INITIAL APPLICATION

1. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

2. THIS COURT ORDERS AND DECLARES that the herein Order is effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date it is made, and will remain effective for 10 calendar days inclusive of the day it is made, unless it is extended.

3. THIS COURT ORDERS AND DECLARES (i) that the time for service of the Notice of Application and the Application Record, as to the parties on whom those were served, is hereby abridged and validated, and that this Application is properly returnable today, and (ii) that the Applicant or the Monitor shall serve on the Canada Revenue Agency (“**CRA**”) as well as any other Person (as defined hereafter) whose rights may be affected by this Order, in accordance with paragraphs 40 to 43 hereof and at the latest at 2 p.m. Toronto time on the day after the date of this Order, a copy of (a) this Order, and (b) the application record filed in respect of the herein application.

4. THIS COURT ORDERS that the Applicant, the Monitor and any Person having an interest in the herein proceeding shall attend before this Court for a hearing on _____ at _____ and make relevant representations, including on the extension of this Order for an additional time period, provided that any such Person, at least 2 full calendar days before the hearing, (a) files an appearance with the Court in accordance with the *Rules of Civil Procedure* (Ontario), (b) notifies the Applicant and the Monitor, by email at forte@gsnh.com, turgeon@gsnh.com, waleung@deloitte.ca, and philreynolds@deloitte.ca, of their intention to appear as well as the legal and factual grounds and evidence that will be relied upon, if any, along with a copy of that evidence, and (c) notifies the Court, by email at mag.csd.to.scjcom@ontario.ca and toronto.commercialist@jus.gov.on.ca of such intention to appear, grounds, and evidence, with a copy of the latter, if any.

POSSESSION OF PROPERTY AND OPERATIONS

5. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts,

accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. THIS COURT ORDERS that the Applicant is hereby authorized and directed to:
- (a) establish a separate bank account to hold only funds in trust for customers;
 - (b) delineate a separate storage area to hold only precious metals in trust for customers;
 - (c) establish a separate account with Asahi Refining Canada Limited or Saxo Bank to hold only funds and forward contracts in trust for customers; and
 - (d) provide each of the customers in respect of which the Applicant holds Trading Customer Assets (as defined in the Salama Affidavit) with a monthly trust account statement specifying the assets held in trust by the Applicant as of that month, and expressly stating that “the assets set out herein are held in trust by the Applicant on behalf of the beneficiary listed above”;

and subject to the above, the Applicant is hereby authorized (i) to continue to hold in trust the assets it held in trust as of the time of this Order in accordance with the terms in place at that time or those agreed to thereafter, and (ii) to enter into and perform trust agreements in the normal course of its business.

7. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, such as for avoidance of doubt in paragraph 10 hereof, the Applicant shall be entitled but not required to pay or otherwise deal with its creditors' claims, whether arising before or after the making of this Order, in accordance with the contracts and agreements in place as of the date of this Order, or that may be mutually agreed upon thereafter.

9. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, such as for avoidance of doubt in paragraph 10 hereof, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order; and
- (c) payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date or thereafter.

10. THIS COURT ORDERS that the Applicant shall not make any payment, and no payment in whatever form shall be made, in respect of the tax assessments or reassessments issued by CRA to the Applicant on or about July 28, 2020 and relating to the period from June 1, 2016 to October 31, 2018 (collectively, the "**Reassessments**") or towards any assessment or reassessment issued to the Applicant by CRA or the Canada Minister of Finance or any provincial ministry of finance or similar body in Canada (each, a "**Tax Enforcement Entity**") that is in respect of a time period or facts preceding the date of the present Order, except with the written consent of the Monitor and save further order of the Court.

11. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant (such remittances only being applicable where Sales Taxes exceed input tax credits ("**ITC**") claimed by the Applicant under the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "**ETA**") for the applicable reporting period), but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

12. THIS COURT ORDERS that the Applicant is hereby directed, until further Order of this Court:

- (a) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (b) to not grant credit or incur liabilities except in the ordinary course of the Business.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. THIS COURT ORDERS that from the date of the present Order and until and including _____, or such later date as this Court may order (the “**Stay Period**” or the “**Stay**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, and any and all Proceedings currently underway against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended, but the Stay shall not apply:

- (a) to the proceeding in Federal Court File No. 2020-1214(GST)G, which for avoidance of doubt shall remain procedurally unaffected by the Stay, but the Stay is applicable to the enforcement of any order made in such proceeding affecting the Monitor, the Business or the Property; and
- (b) to any Proceeding the continuation or commencement of which is consented to in writing by the Applicant and the Monitor or allowed with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities, as those terms may be understood in their broadest sense (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicant or the Monitor, or affecting the Business or the Property (each such right, a “**Stayed Right**”), are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

15. THIS COURT ORDERS that for avoidance of doubt and without limiting the scope of paragraphs 13 or 14 hereof, any enforcement process, procedure, right or mechanism in respect of the Reassessments or any future tax assessment issued to the Applicant is a Stayed Right to

which the Stay applies, and for further avoidance of doubt, any right of set-off that may be enjoyed by a Tax Enforcement Entity between, on the one hand, any debt whatsoever owed by the Applicant to a Tax Enforcement Entity in respect of an obligation that pre-dates the herein Order (a “**Pre-Filing Tax Liability**”), and, on the other hand, any debt whatsoever, including without limitation any ITC under the ETA, owed by any Tax Enforcement Entity to the Applicant in respect of an obligation that post-dates the herein Order (a “**Post-Filing Tax Asset**”), is also a Stayed Right to which the Stay applies, such that during the Stay Period and subject to paragraph 16 of this Order, all Post-Filing Tax Assets shall be processed and paid to the Applicant by the Tax Enforcement Entities, acting with diligence and in accordance with the applicable law and statutes (save to the extent incompatible with the herein Order), as though no Pre-Filing Tax Liability existed; but this Order shall otherwise not be interpreted as affirming or denying the existence of such right of set-off, if any, as of before or after the Stay Period.

NORMALIZATION OF CERTAIN TAX MATTERS

16. THIS COURT ORDERS that the Applicant, the Monitor, CRA, and their respective counsel if appropriate, shall make all reasonable efforts to reach a mutually satisfactory agreement setting out a protocol through which, for example and among other things:

- (a) the Applicant and/or the Monitor may provide information to CRA on its business transactions that postdate this Order and with respect to which the Applicant intends to claim a Post-Filing Tax Asset, including without limitation any ITC under the ETA;
- (b) CRA will diligently review such information, determine whether such Post-Filing Tax Asset exists, and provide the Applicant with reasons for such determination;
- (c) the Applicant and/or the Monitor may accept or challenge such determination in an out-of-court manner or through a motion in this Court if appropriate; and
- (d) if the Post-Filing Tax Asset is determined to exist, CRA will diligently pay it to the Applicant as though no Pre-Filing Tax Liability existed;

it being understood that until such agreement is entered into and approved by this Court, if ever, and subject to further Order of the Court, paragraph 15 hereof shall apply to all Post-Filing Tax

Assets which shall be processed and paid to the Applicant by the Tax Enforcement Entities, acting with diligence and in accordance with the applicable law and statutes (save to the extent incompatible with the herein Order), as though no Pre-Filing Tax Liability existed.

17. THIS COURT ORDERS that any Tax Enforcement Entity that has, on or after the day of the Reassessments, applied or otherwise set off in any way, against a Pre-Filing Tax Liability, the amount of any ITC under the ETA otherwise allowed by the Tax Enforcement Entity whether in connection with the Reassessments or the assessments issued to the Applicant on or about July 22, 2019 or otherwise (“**Allowed ITCs**”), shall forthwith pay such Allowed ITCs to the Applicant, it being understood that the amount of any Pre-Filing Tax Liability against which the Allowed ITCs were applied or set off shall be adjusted accordingly.

18. THIS COURT ORDERS that any ITC claimed by the Applicant under the ETA in respect of reporting periods prior to the date of this Order and which become payable after the date of this Order, including without limitation due to being assessed as such by a Tax Enforcement Entity, shall be processed and paid to the Applicant by the applicable Tax Enforcement Entity, acting with diligence and in accordance with the applicable law and statutes (save to the extent incompatible with the herein Order), as though no Pre-Filing Tax Liability existed.

NO INTERFERENCE WITH RIGHTS

19. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the

continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations (including, but not limited to Proceedings arising from section 323 of the ETA), until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$100,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors’ Charge shall have the priority set out in paragraph 34 herein.

25. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors’ Charge, and (b) the Applicant’s directors and officers shall only be entitled to the benefit of the Directors’ Charge to the extent that they do not have coverage under any directors’ and officers’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that Deloitte Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor’s functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant’s receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) advise the Applicant in its preparation of the Applicant’s cash flow statements;

- (d) advise the Applicant as to the herein proceedings, including the eventual formulation of a plan of arrangement or compromise;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of

any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

31. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant incurred in respect of these proceedings or attendant matters both before and during the period for which this Order is effective, and the Applicant is further hereby authorized to pay to the Monitor and counsel to the Applicant, retainers in the amount of \$50,000 for the former and \$40,000 for the latter, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel, which for clarity includes all Applicant's counsel such as restructuring counsel and tax counsel, shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order, and both in respect of these proceedings and proceedings in respect of the

Reassessments or similar proceedings. The Administration Charge shall have the priority set out in paragraph 34 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

34. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$300,000); and

Second – Directors' Charge (to the maximum amount of \$100,000).

35. THIS COURT ORDERS that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. THIS COURT ORDERS that the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

37. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Charges unless the Applicant also obtains the prior written consent of the beneficiaries of the Charges, or further Order of this Court.

38. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants,

prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. THIS COURT ORDERS that the Charges shall only be charges in the Applicant’s interest in the Applicants’ leases of real property in Canada.

SERVICE AND NOTICE

40. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**E-Service Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the E-Service Protocol (which can be found

on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the E-Service Protocol, service of documents in accordance with the E-Service Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the E-Service Protocol with the following URL: [insolvencies.deloitte.ca/en-ca/ExpressGoldRefiningLtd].

42. THIS COURT ORDERS that if the service or distribution of documents in accordance with the E-Service Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

43. THIS COURT ORDERS that except to the extent incompatible with paragraphs 40 to 42 hereof, due to the COVID-19 pandemic and save Court instructions, the *Consolidated Notice to the Profession, Litigants, Accused Persons, Public and the Media* dated May 13, 2020, as amended (the "**Consolidated Notice**"), the text of which is available at [ontariocourts.ca/scj/notices-and-orders-covid-19/consolidated-notice], and the guidelines set out on the *Changes to Commercial List Operations in light of COVID-19* available at [ontariocourts.ca/scj/changes-to-commercial-list-operations-in-light-of-covid-19], as both may be amended or supplemented from time to time, shall apply to the herein proceeding.

GENERAL

44. THIS COURT ORDERS that the Applicant or the Monitor may apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

45. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

Court File No. _____

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36**

**AND IN THE MATTER OF A COMPROMISE OR ARRANGEMENT OF
EXPRESS GOLD REFINING LTD.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO**

INITIAL ORDER

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Fax: 416-597-6477

Mario Forte (LSO #27293F)

Tel: 416-597-6477

Email: forte@gsnh.com

Joël Turgeon (Member of the Bar of Quebec,
Ontario Student-at-Law)

Lawyers for the Applicant, Express Gold Refining Ltd.

TAB 5

Revised: January 21, 2014

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ~~_____~~MR.) ~~WEEKDAY~~THURSDAY, THE # 15TH
 JUSTICE ~~_____~~HAINES)
) DAY OF ~~MONTH~~OCTOBER, ~~20~~YR2020

**IN THE MATTER OF THE *COMPANIES'* CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF ~~[APPLICANT'S NAME]~~EXPRESS
GOLD REFINING LTD. (the "Applicant")**

INITIAL ORDER

THIS INITIAL APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Atef Salama sworn ~~[DATE]~~ ~~and the Exhibits thereto~~October 14, 2020 and the exhibits thereto (collectively, the "Salama Affidavit"), and on ~~reading the pre-filing report of Deloitte Restructuring Inc. ("Deloitte") as proposed monitor~~, and on being advised that ~~there~~there are no secured creditors who are likely to be affected by the charges created herein ~~were given notice~~, and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME][†] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~the Applicant and Deloitte, and on reading the consent of ~~[MONITOR'S NAME] Deloitte~~ to act as the monitor (in such capacity, the "Monitor"),

[†]Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).

SERVICE

INITIAL APPLICATION

1. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.
2. THIS COURT ORDERS AND DECLARES that the herein Order is effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date it is made, and will remain effective for 10 calendar days inclusive of the day it is made, unless it is extended.
3. ~~1.~~ THIS COURT ORDERS AND DECLARES (i) that the time for service of the Notice of Application and the Application Record, as to the parties on whom those were served, is hereby abridged and validated²-so, and that this Application is properly returnable today-and hereby dispenses with further service thereof., and (ii) that the Applicant or the Monitor shall serve on the Canada Revenue Agency ("CRA") as well as any other Person (as defined hereafter) whose rights may be affected by this Order, in accordance with paragraphs 40 to 43 hereof and at the latest at 2 p.m. Toronto time on the day after the date of this Order, a copy of (a) this Order, and (b) the application record filed in respect of the herein application.

APPLICATION

- ~~2.~~ THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

- ~~3.~~
4. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan")., the Monitor and any Person having an interest in the herein proceeding shall attend before this Court for a hearing on _____ at _____

² If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.

and make relevant representations, including on the extension of this Order for an additional time period, provided that any such Person, at least 2 full calendar days before the hearing, (a) files an appearance with the Court in accordance with the *Rules of Civil Procedure (Ontario)*, (b) notifies the Applicant and the Monitor, by email at forte@gsnh.com, turgeon@gsnh.com, waleung@deloitte.ca, and philreynolds@deloitte.ca, of their intention to appear as well as the legal and factual grounds and evidence that will be relied upon, if any, along with a copy of that evidence, and (c) notifies the Court, by email at mag.csd.to.scjcom@ontario.ca and toronto.commercialist@jus.gov.on.ca of such intention to appear, grounds, and evidence, with a copy of the latter, if any.

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~4.~~ THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. ~~5. [THIS COURT ORDERS that the Applicant shall be entitled to continue to utilize the central cash management system³ currently in place as described in the Affidavit of [NAME] sworn [DATE] or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as~~

³This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.

~~hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.]~~ THIS COURT ORDERS that the Applicant is hereby authorized and directed to:

- (a) establish a separate bank account to hold only funds in trust for customers;
- (b) delineate a separate storage area to hold only precious metals in trust for customers;
- (c) establish a separate account with Asahi Refining Canada Limited or Saxo Bank to hold only funds and forward contracts in trust for customers; and
- (d) provide each of the customers in respect of which the Applicant holds Trading Customer Assets (as defined in the Salama Affidavit) with a monthly trust account statement specifying the assets held in trust by the Applicant as of that month, and expressly stating that “the assets set out herein are held in trust by the Applicant on behalf of the beneficiary listed above”;

and subject to the above, the Applicant is hereby authorized (i) to continue to hold in trust the assets it held in trust as of the time of this Order in accordance with the terms in place at that time or those agreed to thereafter, and (ii) to enter into and perform trust agreements in the normal course of its business.

7. ~~6.~~ THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- ~~(a)~~ (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- ~~(b)~~ (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

8. ~~7.~~ THIS COURT ORDERS that, except as otherwise provided to the contrary herein, such as for avoidance of doubt in paragraph 10 hereof, the Applicant shall be entitled but not required to pay or otherwise deal with its creditors' claims, whether arising before or after the making of this Order, in accordance with the contracts and agreements in place as of the date of this Order, or that may be mutually agreed upon thereafter.

9. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, such as for avoidance of doubt in paragraph 10 hereof, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

~~(a)~~ (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; ~~and~~

~~(b)~~ (b) payment for goods or services actually supplied to the Applicant following the date of this Order; and

(c) payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date or thereafter.

10. THIS COURT ORDERS that the Applicant shall not make any payment, and no payment in whatever form shall be made, in respect of the tax assessments or reassessments issued by CRA to the Applicant on or about July 28, 2020 and relating to the period from June 1, 2016 to October 31, 2018 (collectively, the "Reassessments") or towards any assessment or reassessment issued to the Applicant by CRA or the Canada Minister of Finance or any provincial ministry of finance or similar body in Canada (each, a "Tax Enforcement Entity") that is in respect of a time period or facts preceding the date of the present Order, except with the written consent of the Monitor and save further order of the Court.

11. ~~8.~~ THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

~~(a)~~ (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

~~(b)~~ (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant (such remittances only being applicable where Sales Taxes exceed input tax credits ("ITC") claimed by the Applicant under the Excise Tax Act, R.S.C. 1985, c. E-15 (the "ETA") for the applicable reporting period), but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

~~(c)~~ (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

12. ~~9.~~ THIS COURT ORDERS that ~~until a real property lease is disclaimed [or resiliated]⁴ in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice monthly in~~

⁴The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.

~~equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.10. — THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business. the Applicant is hereby directed, until further Order of this Court:~~

RESTRUCTURING

~~11. — THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:~~

- ~~(a) — permanently or temporarily cease, downsize or shut down any of its business or operations, **[and to dispose of redundant or non-material assets not exceeding \$● in any one transaction or \$● in the aggregate]**⁵~~
- ~~(b) — **[terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate];** and~~
- ~~(c) — pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,~~

~~all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "Restructuring").~~

~~12. — THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the~~

⁵Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.

~~landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims **[or resiliates]** the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer **[or resiliation]** of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. — THIS COURT ORDERS that if a notice of disclaimer **[or resiliation]** is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer **[or resiliation]**, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer **[or resiliation]**, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

(a) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and

(b) to not grant credit or incur liabilities except in the ordinary course of the Business.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

13. ~~14.~~ THIS COURT ORDERS that from the date of the present Order and until and including [DATE — MAX. 30 DAYS], or such later date as this Court may order (the "Stay Period" or the "Stay"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or

continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, ~~except with the written consent of the Applicant and the Monitor, or with leave of this Court,~~ and any and all Proceedings currently ~~under way~~underway against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended ~~pending further Order,~~ but the Stay shall not apply:

- (a) to the proceeding in Federal Court File No. 2020-1214(GST)G, which for avoidance of doubt shall remain procedurally unaffected by the Stay, but the Stay is applicable to the enforcement of any order made in such proceeding affecting the Monitor, the Business or the Property; and
- (b) to any Proceeding the continuation or commencement of which is consented to in writing by the Applicant and the Monitor or allowed with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. ~~15.~~ THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities, as those terms may be understood in their broadest sense (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property (each such right, a "Stayed Right"), are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

15. THIS COURT ORDERS that for avoidance of doubt and without limiting the scope of paragraphs 13 or 14 hereof, any enforcement process, procedure, right or mechanism in respect of the Reassessments or any future tax assessment issued to the Applicant is a Stayed Right to which the Stay applies, and for further avoidance of doubt, any right of set-off that may be enjoyed by a Tax Enforcement Entity between, on the one hand, any debt whatsoever owed by the Applicant to a Tax Enforcement Entity in respect of an obligation that pre-dates the herein

Order (a “Pre-Filing Tax Liability”), and, on the other hand, any debt whatsoever, including without limitation any ITC under the ETA, owed by any Tax Enforcement Entity to the Applicant in respect of an obligation that post-dates the herein Order (a “Post-Filing Tax Asset”), is also a Stayed Right to which the Stay applies, such that during the Stay Period and subject to paragraph 16 of this Order, all Post-Filing Tax Assets shall be processed and paid to the Applicant by the Tax Enforcement Entities, acting with diligence and in accordance with the applicable law and statutes (save to the extent incompatible with the herein Order), as though no Pre-Filing Tax Liability existed; but this Order shall otherwise not be interpreted as affirming or denying the existence of such right of set-off, if any, as of before or after the Stay Period.

NORMALIZATION OF CERTAIN TAX MATTERS

16. THIS COURT ORDERS that the Applicant, the Monitor, CRA, and their respective counsel if appropriate, shall make all reasonable efforts to reach a mutually satisfactory agreement setting out a protocol through which, for example and among other things:

- (a) the Applicant and/or the Monitor may provide information to CRA on its business transactions that postdate this Order and with respect to which the Applicant intends to claim a Post-Filing Tax Asset, including without limitation any ITC under the ETA;
- (b) CRA will diligently review such information, determine whether such Post-Filing Tax Asset exists, and provide the Applicant with reasons for such determination;
- (c) the Applicant and/or the Monitor may accept or challenge such determination in an out-of-court manner or through a motion in this Court if appropriate; and
- (d) if the Post-Filing Tax Asset is determined to exist, CRA will diligently pay it to the Applicant as though no Pre-Filing Tax Liability existed;

it being understood that until such agreement is entered into and approved by this Court, if ever, and subject to further Order of the Court, paragraph 15 hereof shall apply to all Post-Filing Tax Assets which shall be processed and paid to the Applicant by the Tax Enforcement Entities, acting with diligence and in accordance with the applicable law and statutes (save to the extent incompatible with the herein Order), as though no Pre-Filing Tax Liability existed.

17. THIS COURT ORDERS that any Tax Enforcement Entity that has, on or after the day of the Reassessments, applied or otherwise set off in any way, against a Pre-Filing Tax Liability, the amount of any ITC under the ETA otherwise allowed by the Tax Enforcement Entity whether in connection with the Reassessments or the assessments issued to the Applicant on or about July 22, 2019 or otherwise (“Allowed ITCs”), shall forthwith pay such Allowed ITCs to the Applicant, it being understood that the amount of any Pre-Filing Tax Liability against which the Allowed ITCs were applied or set off shall be adjusted accordingly.

18. THIS COURT ORDERS that any ITC claimed by the Applicant under the ETA in respect of reporting periods prior to the date of this Order and which become payable after the date of this Order, including without limitation due to being assessed as such by a Tax Enforcement Entity, shall be processed and paid to the Applicant by the applicable Tax Enforcement Entity, acting with diligence and in accordance with the applicable law and statutes (save to the extent incompatible with the herein Order), as though no Pre-Filing Tax Liability existed.

NO INTERFERENCE WITH RIGHTS

19. ~~16.~~ THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

20. ~~17.~~ THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the

Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

21. ~~18.~~ THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. ~~19.~~ THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations (including, but not limited to Proceedings arising from section 323 of the ETA), until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. ~~20.~~ THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings,⁷ except to the extent that, with respect to any

⁶ ~~This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

⁷ ~~The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. ~~21.~~ THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~100,000~~, as security for the indemnity provided in paragraph ~~20~~23 of this Order. The Directors' Charge shall have the priority set out in ~~paragraphs 38 and 40~~paragraph 34 herein.

25. ~~22.~~ THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~23 of this Order.

APPOINTMENT OF MONITOR

26. ~~23.~~ THIS COURT ORDERS that ~~[MONITOR'S NAME]~~Deloitte Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

⁸~~Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

27. ~~24.~~ THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- ~~(a)~~ (a) monitor the Applicant's receipts and disbursements;
- ~~(b)~~ (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- ~~(c)~~ — assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- ~~(d)~~ (c) advise the Applicant in its preparation of the Applicant's cash flow statements ~~and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- ~~(e)~~ — advise the Applicant in its development of the Plan and any amendments to the Plan;
- ~~(f)~~ — assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (d) advise the Applicant as to the herein proceedings, including the eventual formulation of a plan of arrangement or compromise;
- ~~(g)~~ (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;

~~(h)~~ (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

~~(i)~~ (g) perform such other duties as are required by this Order or by this Court from time to time.

28. ~~25.~~ THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. ~~26.~~ THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

30. ~~27.~~ THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant ~~and the DIP Lender~~ with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to

creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

31. ~~28.~~ THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

32. ~~29.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant ~~on a [TIME INTERVAL] basis and, in addition,~~ incurred in respect of these proceedings or attendant matters both before and during the period for which this Order is effective, and the Applicant is further hereby authorized to pay to the Monitor, ~~counsel to the Monitor,~~ and counsel to the Applicant, retainers in the amount[s] of \$~~•~~ 50,000 for the former and \$40,000 for the latter, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~30. — THIS — COURT — ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.~~

33. ~~31.~~ THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel, which for clarity includes all Applicant's counsel such as restructuring counsel and tax counsel, shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$~~•~~ 300,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order, and both in respect of these proceedings and proceedings in respect of the Reassessments or similar proceedings. The Administration Charge shall have the priority set out in ~~paragraphs [38] and [40]~~ paragraph 34 hereof.

DIP FINANCING

32. — ~~THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$● unless permitted by further Order of this Court.~~

33. — ~~THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

34. — ~~THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

35. — ~~THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

36. — ~~THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

- ~~(a) — the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~
- ~~(b) — upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or~~

~~the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and—~~

~~(e) — the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.—~~

~~37.— THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

~~34.~~ 38. THIS COURT ORDERS that the priorities of the Directors' Charge, and the Administration Charge and (collectively, the ~~DIP Lender's Charge~~ "Charges"), as among them, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$ ~~●~~ 300,000); and

Second – ~~DIP Lender's Charge; and~~ ~~Third~~ — Directors' Charge (to the maximum amount of \$ ~~●~~ 100,000).

~~35.~~ 39. THIS COURT ORDERS that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~ (collectively, the

⁹ ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

~~"Charges")~~ Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

36. ~~40.~~ THIS COURT ORDERS that ~~each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~ the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

37. ~~41.~~ THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, ~~any of the Directors' Charge, the Administration Charge or the DIP Lender's Charge,~~ the Charges unless the Applicant also obtains the prior written consent of the ~~Monitor, the DIP Lender and the~~ beneficiaries of the ~~Directors' Charge and the Administration Charge~~ Charges, or further Order of this Court.

38. ~~42.~~ THIS COURT ORDERS that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) ~~neither (a) the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive~~

~~Documents~~ shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

~~(b)~~ (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

~~(e)~~ (c) the payments made by the Applicant pursuant to this Order, ~~the Commitment Letter or the Definitive Documents,~~ and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

39. ~~43.~~ THIS COURT ORDERS that ~~any Charge created by this Order over leases of real property in Canada~~ the Charges shall only be ~~a Charge~~ charges in the Applicant's interest in ~~such~~ the Applicants' leases of real property ~~leases~~ in Canada.

SERVICE AND NOTICE

40. ~~44.~~ THIS COURT ORDERS that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Globe and Mail (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

41. ~~45.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "E-Service Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the E-Service Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be

valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the [E-Service](#) Protocol, service of documents in accordance with the [E-Service](#) Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the [E-Service](#) Protocol with the following URL ~~_____~~  [\[insolvencies.deloitte.ca/en-ca/ExpressGoldRefiningLtd\]](https://insolvencies.deloitte.ca/en-ca/ExpressGoldRefiningLtd).

42. ~~46.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the [E-Service](#) Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

43. [THIS COURT ORDERS that except to the extent incompatible with paragraphs 40 to 42 hereof, due to the COVID-19 pandemic and save Court instructions, the Consolidated Notice to the Profession, Litigants, Accused Persons, Public and the Media dated May 13, 2020, as amended \(the "Consolidated Notice"\), the text of which is available at \[ontariocourts.ca/scj/notices-and-orders-covid-19/consolidated-notice\], and the guidelines set out on the Changes to Commercial List Operations in light of COVID-19 available at \[ontariocourts.ca/scj/changes-to-commercial-list-operations-in-light-of-covid-19\], as both may be amended or supplemented from time to time, shall apply to the herein proceeding.](#)

GENERAL

44. ~~47.~~ THIS COURT ORDERS that the Applicant or the Monitor may ~~from time to time~~ apply to this Court for advice and directions in the discharge of ~~its~~[their](#) powers and duties hereunder.

45. ~~48.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

46. ~~49.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

47. ~~50.~~ THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

~~51.— THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

~~52.— THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.~~

Court File No. _____

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

AND IN THE MATTER OF A COMPROMISE OR ARRANGEMENT OF
EXPRESS GOLD REFINING LTD.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced in TORONTO

INITIAL ORDER

GOLDMAN SLOAN NASH & HABER LLP

480 University Avenue, Suite 1600

Toronto, Ontario M5G 1V2

Fax: 416-597-6477

Mario Forte (LSO #27293F)

Tel: 416-597-6477

Email: forte@gsnh.com

Joël Turgeon (Member of the Bar of Quebec, Ontario
Student-at-Law)

Lawyers for the Applicant, Express Gold Refining Ltd.

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Description	Draft Initial Order, v7
Rendering set	Standard

Legend:	
Insertion	
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Moved deletion	
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Deleted cell	
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Split/Merged cell	
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	Count
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Moved from	10

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF EXPRESS GOLD REFINING LTD. (the "Applicant")**

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced in TORONTO

APPLICATION RECORD
(returnable October 15, 2020)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto, Ontario M5G 1V2
Fax: 416-597-6477

Mario Forte (LSUC #27293F)
Tel: 416-597-6477
Email: forte@gsnh.com

Joël Turgeon (Member of the Bar of Quebec,
Ontario Student-at-Law)

Lawyers for the Applicant, Express Gold Refining Ltd.