

C A N A D A
DISTRICT OF NEWFOUNDLAND AND LABRADOR

Division No. : 01 – Newfoundland and Labrador
Court No. : 21226
Estate No.: 51-2233581

IN THE MATTER OF THE BANKRUPTCY OF:

SKYMARK RENOVATIONS LTD.

TRUSTEE'S REPORT TO THE CREDITORS ON PRELIMINARY ADMINISTRATION

SECTION A History

- Skymark Renovations Ltd. (the "Company"), founded in February 2013, was a member of Skymark Group Company, and specialized in the excavation and engineering construction sector.
 - The Company's financial difficulties can be attributed to the following:
 - Poor costing and planning of certain major projects;
 - Overall poor economic conditions in Newfoundland;
 - Margins were not sufficient to cover Company's overhead structure;
 - Increased market competition by larger players led to a price war which reduced the Company's profitability on public projects.
 - On March 28, 2017, the debtor filed a Notice of Intention to Make a Proposal ("NOI") in accordance with section 50.4(1) of the *Bankruptcy and Insolvency Act*.
 - On April 10, 2017, the Company was deemed bankrupt pursuant to the non-filing of a cash-flow statement.
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SECTION B Assets

Description	Estimated realization value (as of the date of bankruptcy) (\$)	Notes
Cash in bank	66,937	
Other Receivables	104,308	1
Promissory Notes – Derek Locke	100,000	

Note 1 : Various holdbacks and deposits. The Trustee estimates that the realizable value of these assets will be \$104,308.

SECTION C

- **Books and records**

The Trustee is in the process of recovering books and records of the company.

- **Conservatory and Protection Measures**

The Trustee opened a bank account with the BMO Bank of Montreal for the bankruptcy estate.

- **Operating business of the bankrupt** **N/A**

SECTION D Legal proceedings

No legal proceedings were brought to the trustee's attention.

SECTION E Provable claims

- The provable claims are summarized as follows:

	As per the Statement of Affairs	Received to date
	(\$)	(\$)
Preferred creditors	-	-
Secured creditors	-	-
Unsecured creditors	863,023	50,816
Employee-creditors (termination notice)	-	-
Government priority claim	-	-

SECTION F Secured claims N/A

SECTION G Anticipated realization and projected dividend

- The Trustee estimates that funds between \$150,000 and \$200,000 will be available for the unsecured creditors having filed a valid proof of claim.
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SECTION H Reviewable transactions and preferential payments

The Trustee has not completed the analysis of revisable transactions and preferential payments. Once completed, he will report to the inspectors to be appointed in the estate.

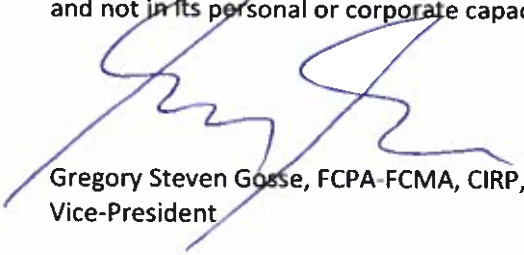
SECTION I Other subjects

- The Trustee published the notice of bankruptcy in Telegram, on April 26, 2017.

SIGNED AT MOUNT PEARL, this 28th day of April 2017.

MNP Ltd.

In its capacity as Trustee to the bankruptcy of
Skymark Renovations Ltd.
and not in its personal or corporate capacity



Gregory Steven Gosse, FCPA-FCMA, CIRP, LIT
Vice-President