

COURT FILE NUMBER 2401-00457

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF CATALX CTS LTD. and
CATALX MANAGEMENT LTD.

APPLICANTS CATALX CTS LTD. AND HYUK JAE PARK

RESPONDENTS CATALX CTS LTD. and CATALX MANAGEMENT LTD.

DOCUMENT **FIRST REPORT OF THE COURT-APPOINTED RECEIVER OF
CATALX CTS LTD. and CATALX MANAGEMENT LTD.**

DATED May 21 , 2024

PREPARED BY DELOITTE RESTRUCTURING INC.

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File No: 75083-3

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APPENDICES

Appendix "A" – Receivership Order dated January 19, 2024

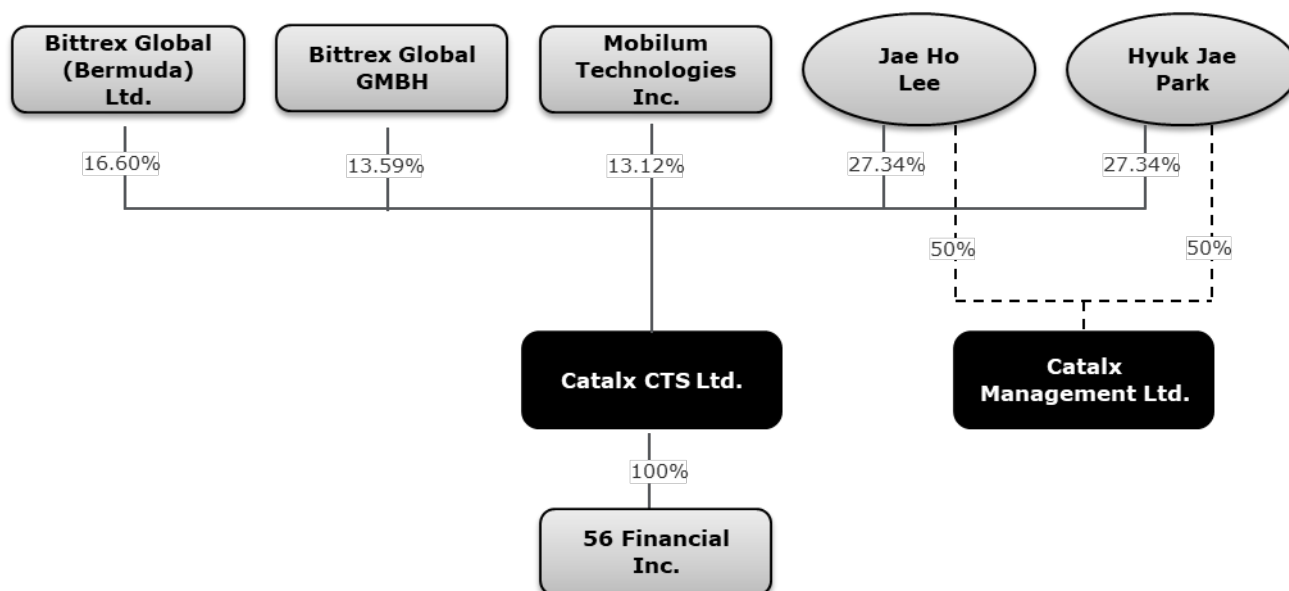
Appendix "B" – Alberta Personal Property Registry search results for Catalx CTS Ltd. and Catalx Management Ltd.

Appendix "C" – British Columbia Personal Property Registry search results for Catalx CTS Ltd. and Catalx Management Ltd.

Appendix "D" – Alberta Securities Commission Extension Order

Introduction and Background

- On January 19, 2024 (the **"Date of Receivership"**), Deloitte Restructuring Inc. (**"DRI"**) was appointed by an Order of the Court of King's Bench of Alberta (the **"Receivership Order"**) as receiver-manager (the **"Receiver"**) without security, of all current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the **"Property"**) of Catalx CTS Ltd. operating as Catalyx Exchange Inc. (**"Catalx"**) and Catalx Management Ltd. (**"CML"**) and together with Catalx the **"Companies"** or the **"Debtors"**). A copy of the Receivership Order is attached hereto as **Appendix "A"**.
- A summary of the corporate structure of the Debtors are as follows:



- Catalx is a private company, originally incorporated in the Province of British Columbia on February 5, 2018 which continued into Alberta on September 10, 2019. Catalx is owned by five (5) voting shareholders as shown above.
- CML is a private company incorporated in British Columbia on August 28, 2018 and is owned 50% by Mr. Hyuk Jae Park (**"Mr. Park"**) and 50% by Mr. Jae Ho Lee (**"Mr. Lee"**). CML is also extra-provincially registered in Alberta.
- Catalx operated an internet-based platform for the trading of crypto assets, which enables customers to buy, sell, hold, deposit, and withdraw crypto assets such as Bitcoin, Ethereum, and anything commonly considered to be a crypto asset, digital or virtual currency, or digital or virtual token (collectively, **"Crypto"**).
- Mr. Park is the Chief Executive Officer of Catalx and as at the Date of Receivership is the only remaining officer and sole director of Catalx. Mr. Lee resigned as director and Chief Financial Officer of Catalx effective December 22, 2023.
- CML provided business administration and management services exclusively to Catalx, including but not limited to administrative, management, regulatory, finance, information technologies support and corporate communication functions.
- Bittrex Global GMBH and Bittrex Global (Bermuda) Ltd. (collectively **"Bittrex"**), are shareholders of Catalx who provided Catalx substantially all of the technology and some of the liquidity required for Catalx to operate its Crypto trading platform through various technology and licensing agreements.

9. In November 2023, Bittrex announced its decision to wind down its operations and all trading activity and Bittrex was disabled effective December 4, 2023.
10. In light of the Bittrex wind down and certain other financial difficulties, the Debtors determined it was not feasible to continue operations and ceased customer withdrawals in November 2023.
11. On December 21, 2023, Catalx, through its legal counsel, notified the Alberta Securities Commission (the "**ASC**") of unauthorized transactions in the digital wallets and accounts at Bittrex that holds Catalx's Crypto and the Crypto of Catalx customers (the "**Catalx Wallet**"). The ASC immediately commenced an investigation and issued an Interim Cease Trade Order, as further discussed in this first report of the Receiver (the "**First Report**").
12. Effective December 22, 2023, all CMI employees were terminated and operations ceased.
13. On December 21, 2023, DRI was engaged by Catalx to assist the Debtors in an orderly wind-down of the Companies. Deloitte LLP ("**Deloitte**") was also engaged by counsel to Catalx to provide independent and impartial forensic and investigative services in connection to the tracing of Crypto that was to be held by Catalx for its customers in its Bittrex accounts.
14. On January 17, 2024, the proposed receiver's report (the "**Proposed Receiver's Report**") was filed. Its purpose was to provide the Court with background on Catalx and an update on the activities of DRI and Deloitte. The Proposed Receiver's Report was also filed in support of the Receivership Order which was granted as a result of an application by Catalx and Mr. Park, who holds registered security over the Companies present and after acquired personal property (the "**Park Security**"). The Debtors consented to the Receivership Order.
15. The Receivership Order, related court documents, the Proposed Receiver's Report, the Notice to Creditors, and this First Report are posted on the Receiver's website at <https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx>.
16. Unless otherwise stated, all other capitalized terms not defined in this First Report are as defined in the Receivership Order.

Purpose

17. The purpose of this First Report is to:
 - a) Provide an update on the administration of the receivership since the Date of Receivership; and
 - b) Respectfully recommend that this Honourable Court make orders:
 - i. Approving the activities, fees, and disbursements of the Receiver as described in this First Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order, and the fees and disbursements of the Receiver's legal counsel; and
 - ii. Providing such further or other relief that the Court considers just and warranted in the circumstances.

Terms of Reference

18. In preparing this First Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management and agents (collectively "**Management**"), the Debtors' books and records, and discussions with Management. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in

respect of the information. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.

19. The Receiver and Deloitte assumes no responsibility or liability for any loss or damage occasioned by any party as a result of the circulation, publication, reproduction, or use of the First Report. Any use, which any party makes of the First Report, or any reliance or decision to be made based on the First Report, is the sole responsibility of such party.

Currency

20. All dollar amounts in this First Report are in Canadian dollars, unless otherwise indicated.

Receiver's Activities

21. The Receiver has undertaken and performed the following activities since the Date of Receivership:

- a. Undertaking forensic review of the Catalx blockchain and other transactions;
- b. Corresponding with Management, regarding various matters including, but not limited to, the location of the Debtors' books and records, accessing all online accounts, status of customer accounts, and the status of the forensic investigation;
- c. Corresponding with Mr. Lee through his legal counsel regarding various matters including, but not limited to, the location of the Debtors' books and records, accessing all online accounts, and status of customer accounts;
- d. Arranging for redirection of mail to the Receiver as part of the normal course of administration;
- e. Reviewing the insurance coverage over the Debtors' assets and holding discussions with the Debtors' insurance provider regarding the need for coverage;
- f. Issuing a statutory Notice and Statement of the Receiver to all known creditors of the Debtors pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)*.
- g. Retaining key contractors to assist the Receiver with compiling information for the forensic investigation and addressing customer queries;
- h. Corresponding with the ASC;
- i. Corresponding with Bittrex;
- j. Arranging for continued service from critical service providers;
- k. Notifying all known financial institutions that Catalx and CML has or may have dealings with and requested all accounts be restricted and funds forwarded to the Receiver;
- l. Informing the Canada Revenue Agency ("**CRA**") of the receivership and requested new tax accounts be established for the post-receivership period;
- m. Coordinated final payroll calculations up to the Date of Receivership and the delivery of records of employment and T4 slips for the purposes of administering amounts due to the employees under the Wage Earner Protection Program Act ("**WEPPA**");

- n. Opening new trust accounts in the name of the receivership estate to facilitate future receipts and disbursements;
- o. Preparing and updating from time to time an operating receivership cash flow;
- p. Corresponding with Burnet, Duckworth & Palmer LLP ("**BDP**"), the Receiver's independent legal counsel, on various legal matters relating to these receivership proceedings;
- q. Corresponding with creditors, customers and other stakeholders;
- r. Preparing, reviewing and finalizing this First Report; and
- s. Addressing additional matters of both a general and specific nature as they arose from time to time.

Operations

Catalx Platform and Wallet

- 22. Catalx operated a Crypto trading platform at <https://catalyx.io/home> (the "**Platform**"), where customers could buy, trade, and sell Crypto for a transaction fee. The Platform utilized an in-house software program to manage the user database, record transactions, and interface with accounts held with Bittrex, who acted as a third-party custodian and trading partner. For clarity, customer Crypto assets were never directly held by Catalx. Instead, customers' Crypto assets were held either within the Catalx Wallet at Bittrex or on other exchanges via Unauthorized Withdrawals as revealed during the Forensic Investigation (defined and discussed as of paragraph 48 below). The Platform supported trading in both fiat-to-Crypto and Crypto-to-Crypto transactions, enabling customers to trade Canadian and US dollars for Crypto or exchange one type of Crypto for another.
- 23. To fund their Catalx accounts, customers were instructed to send Interac e-transfers or wire transfers to 56 Financial Inc., a wholly owned subsidiary of Catalx. Subsequently, the funds were transferred to the "Clearing Fund Account", a fiat balance held with Bittrex. Crypto orders placed by customers on the Platform were completed by Catalx in collaboration with Bittrex and stored in the Catalx Wallet, which was held in custody by Bittrex.
- 24. Bittrex served as the contracted third-party custodian for Crypto purchased on the Platform and those transferred by customers. Customers had the option to transfer their Crypto assets from another wallet to the Catalx Wallet. Once transferred, customers could conduct transactions by placing orders on the Platform, which Catalx would execute in collaboration with Bittrex.
- 25. Additionally, the Platform offered spot trading and conditional orders trading. Spot trading involved immediate currency buying or selling, while conditional orders trading allowed customers to set specific conditions for trade execution.
- 26. Prior to December 2023, customers had the ability to transfer their Crypto assets off the Platform by sending those assets to another wallet or by selling the assets for fiat (Canadian dollars) and withdrawing the funds. Catalx processed fiat withdrawals by depositing the funds into the registered bank account linked to the customer's Platform account (for wire withdrawals) or the customer's registered email account (for Interac e-transfer withdrawals).
- 27. As previously discussed in this First Report, on December 4, 2023, Catalx ceased providing trading services which marked the de facto end of the Platform. In December 21, 2023 the ASC issued a Cease Trade Order which remains in places as at the date of this First Report.

Employees

28. Prior to the Date of Receivership, CML employed approximately eight (8) employees. Due to CML cash flow constraints, the CML employees had not been paid wages for approximately six (6) weeks prior to the Date of Receivership.

Books and records

29. The Receiver understands based on various conversations with Management and former employees, that a majority if not all of the books and records of the Debtors are electronic and only accessible through online subscriptions and/or platforms.
30. The Receiver had been provided with login and password information to access the accounting records maintained through QuickBooks; however, has been unable to access the accounts due to the two (2) factor authentication settings. CML had set up the two-factor authentication verification codes to be sent to the Debtor's former bookkeeper. Despite the Receiver's requests, the Debtor's former bookkeeper failed to provide the verification codes.
31. Mr. Lee was asked to provide Catalx information multiple times, but only provided some of the requested information. Mr. Lee, through his counsel indicated that he no longer had access to certain web-based platforms that held Catalx books and records. Despite requesting assistance and books and records from Mr. Lee and the Debtors' former bookkeeper, the Receiver has had limited cooperation and has exhausted all efforts with respect to accessing the accounting records.
32. The Receiver contacted QuickBooks directly to obtain access to the Debtor's books and records; however; QuickBooks has yet to grant the Receiver access.
33. Mr. Park has continued to assist the Receiver and has cooperated with all information and other requests.

Primary Assets

Cash in bank

34. The Debtors' operating bank accounts were held at Bank of Montreal ("**BMO**"), Royal Bank of Canada ("**RBC**") and Servus Credit Union ("**Servus**"). The Receiver froze all accounts at the onset of the receivership proceedings and the balance of funds has been transferred to the Receiver.

Exchange trading accounts

35. Catalx reported two (2) exchange trading accounts: (i) Crypto; and (ii) fiat representing the cash equivalent balances that Catalx holds for its customers.

Investments

36. Catalx holds approximately 6.0 million shares in Mobilum Technologies Inc. ("**Mobilum**"), a public company trading under the symbol MBLMF with a closing price of approximately \$0.01 at the Date of Receivership

Intangible assets

37. The Debtor's intangible assets are comprised of:
- a) Catalx's IT software research and development expenditures; and

- b) The acquisition of a customer list from Bittrex in August 2022.
38. As at the date of this First Report, the realizable value of the intangible assets is unknown but likely immaterial.

Creditors and Secured Charges

39. On December 4, 2023, DRI obtained Alberta Personal Property Registry searches for the Debtors, attached hereto as **Appendix "B"**, which reflected no registrations against the Companies.
40. On January 25, 2024, the Receiver obtained British Columbia Personal Property Registry searches for the Debtors, attached hereto as **Appendix "C"**, which reflected registrations on behalf of two (2) creditors as follows:
- a) Mr. Park regarding the Park Security. Mr. Park advanced funds to Catalx by way of a promissory note, which is secured by a General Security Agreement, in order for Catalx to engage DRI, Deloitte, and Catalx's legal counsel; and
 - b) ESFC Funding Co., LLC operating as Easly provided financing to CML similar to a factoring arrangement whereby it loaned funds upfront to CML in exchange for security in a greater amount payable to CML in Scientific Research and Experimental Development tax credits, which is secured by a General Security Agreement.
41. The validity, enforceability, and priority of each creditor's security will be reviewed by the Receiver's legal counsel in due course.
42. The Receiver understands that there are unremitted source deduction owed by Catalx to CRA in the amount of approximately \$262,000. CRA has advised the Receiver that it will not be conducting payroll or GST audits due to the lack of books and records in the Receiver's possession. CRA may schedule audits at a later date if additional books and records are obtained. Depending on CRA audit results, additional tax liabilities may be assessed should CRA be able to complete the audits.
43. As at the Date of Receivership, there were eight (8) employee claims for outstanding wages, vacation pay, severance, and termination pay totalling approximately \$121,000. Should Service Canada accept the employee claims under WEPPA, there will be a priority claim against CML of up to approximately \$16,000.
44. The Receiver has identified 9,902 customers with potential claims against the Debtors totalling approximately USD\$13,958,536 as at the Date of Receivership.
45. Due to not having access to the accounting records of the Debtors, the Receiver has been unable to identify the number of unsecured trade creditors and the quantum of their potential claims.

ASC Investigation

46. As previously discussed in this First Report, the ASC commenced an investigation after being notified of unauthorized transactions in the Catalx Wallet and issued an Interim Cease Trade Order which was effective from December 21, 2023 to January 5, 2024.
47. On January 5, 2024, the ASC extended the cease trade order by 12 months (the "**Extension Order**") to January 5, 2025. A copy of the Extension Order is attached here to as **Appendix "D"**.

48. The Receiver understands that the ASC investigation is ongoing and the Receiver is providing information and updates to the ASC upon request.

Forensic Investigation

49. On December 21, 2023, Deloitte was engaged by counsel for Catalx to provide independent forensic accounting services in connection with the investigation of allegations regarding the misappropriation of Crypto assets owned by Catalx and/or held by Catalx on behalf of its clients (the “**Forensic Investigation**”).
50. The Forensic Investigation has continued by the Receiver in these receivership proceedings and the Receiver, in consultation with Deloitte, expanded the scope of the Forensic Investigation to include assessing the potential recoverability of missing assets, if any, and assisting the Court in understanding the events that unfolded and ultimately led to the Platform's closure.
51. The Forensic Investigation is ongoing and the timing of the completion of the investigation, and the issuance of a comprehensive forensic report, is uncertain at the time of this First Report. A summary of Deloitte's preliminary findings are detailed below. This summary should be read in conjunction with the “Operations” section of this First Report, which provides relevant background with respect to Catalx's operations and partnership with Bittrex.

Summary of Preliminary Findings

52. The Forensic Investigation has revealed a difference between the expected balance of customer assets, consisting of fiat and Crypto, and the actual amount held by Catalx as of January 19, 2024, the Date of Receivership. Based on the books and records of Catalx available to the Receiver, the estimated value of customer assets which is made up of approximately 590 distinct Crypto amount to approximately USD\$13,958,536; however, the actual value of these assets is only approximately USD\$151,070. This difference results in a shortfall of customer assets amounting to approximately USD\$13,807,467 (the “**Shortfall**”). As at the date of this First Report, the Receiver and Deloitte are unable to determine the recoverability of the Shortfall, which remains the primary focus of the Forensic Investigation.
53. It is important to note that the size of the Shortfall varies daily due to significant fluctuations in the exchange rate of the respective Crypto. For example, the price of Bitcoin between 2021 and the Date of the Receivership fluctuated between USD \$15,742 to USD \$67,617 with the price at the Date of Receivership being \$41,624. To maintain contextual continuity in Deloitte's findings, all Crypto balances discussed in the paragraphs below were converted to US Dollars, the base trading currency, using the exchange rate prevailing as of the Date of Receivership, January 19, 2024.
54. The primary cause of the Shortfall was the use of customer assets for purposes unrelated to customer activities. Beginning no later than May of 2021 and persisting until the Platform's de-facto end in the fall of 2023, unauthorized withdrawals of customer assets, referred to as (“**Unauthorized Withdrawals**”), facilitated the diversion of assets from the Catalx Wallet to external, unauthorized wallets and Crypto exchange accounts. In addition to customer assets being used to pay for Catalx's operating expenses, these diverted funds were used to engage in unauthorized trading with customer assets, and potentially for personal use. Moreover, a security breach on September 5, 2021, resulted in USD\$177,403 of unreplenished losses of customer assets, contributing to a lesser extent to the total Shortfall at January 19, 2024.
55. The Forensic Investigation reveals that Mr. Lee, the former Director, shareholder and CFO of the Catalx, played a primary role in executing the Unauthorized Withdrawals and creating the Shortfall. While it is

clear that several employees at Catalx were aware of a Shortfall, it appears that the complete extent of the Unauthorized Withdrawals and the scale and underlying reasons for the Shortfall were not fully understood until the Platform's de-facto end in the fall of 2023. While Deloitte cannot rule out the potential involvement of other individuals in the misuse of customer assets, Deloitte has not uncovered any information suggesting their direct involvement in these activities as of the date of this First Report.

56. To understand the underlying factors that facilitated the prolonged misuse of customer assets, it is necessary to explain Catalx's custody model and control environment. In terms of its control environment, Catalx suffered from a deficiency in robust financial controls and segregation of duties, thereby compromising the safeguarding of customer assets. Despite the existence of controls and governance procedures seemingly implemented for regulatory compliance, Mr. Lee possessed unrestricted access to the bank account responsible for all customer deposits, as well as the Catalx Wallet that held customer assets. Mr. Lee also maintained control over the accounting and external reporting of customer assets. This lack of oversight and controls persisted over the life of the Platform, granting Mr. Lee the ability to use customer assets at his discretion over several years, without any checks or balances in place.
57. In terms of tracking the custody of customer Crypto, Catalx did not strictly maintain a client's Crypto assets exclusively for that individual. Instead, when a customer purchased or deposited Crypto into their account, it effectively became part of a collective Crypto pool held in the Catalx Wallet. The Catalx Wallet co-mingled customer Crypto with Crypto belonging to the company and its employees, resulting in a lack of clear segregation between customer and Catalx assets. Consequently, when a customer's account on the Platform showed a specific cryptocurrency balance, it did not imply that Catalx stored that cryptocurrency balance exclusively for the client or utilized it solely to support that customer's balance. In addition, a significant portion of the customers' Crypto was not stored in the Catalx Wallet at all, as Mr. Lee was diverting the customer assets to other Crypto exchanges and wallets.
58. Due to this custody model customers were unaware of their assets being misused and depleted. Mr. Lee's actions, such as withdrawing customer assets from the Catalx Wallet, did not cause a corresponding update to the customer account balances on the Platform. As a result, while the displayed balances on customer accounts accurately reflected the amounts and values that ought to have been held in Catalx's custody, the actual aggregate balances held by Catalx in the Catalx Wallet were often significantly lower than the aggregate balances reflected on the Platform.
59. When customers tried to trade or withdraw balances that exceeded the available Crypto in the Catalx Wallet, they encountered technical error messages and were advised to notify Catalx about the problem. In response, Mr. Lee would deposit the deficient amount of Crypto assets from external wallets and Crypto exchange accounts that he controlled, allowing customers to complete their transactions. The Forensic Investigation revealed that some customer trade and withdrawal requests were fulfilled using Crypto previously diverted from other customers.
60. Catalx portrayed itself on its website as a reliable and trusted service provider, offering customers advanced security and risk management measures that ensured comprehensive protection and control over their assets. Catalx also advised customers that their funds and assets were safeguarded by bonding insurance. However, based on the Forensic Investigation it is evident that the purported safeguards did not effectively shield customers from the misuse of their assets. Furthermore, customers were unaware of the complete extent of the risks and exposure to which their funds were subjected, particularly as much of their assets were being diverted from Bittrex to external Crypto exchanges.
61. In addition to Mr. Lee's actions, Catalx faced financial difficulties. Despite the Company providing financial statements and projections to regulators and investors, Deloitte was unable to verify the accuracy of the financial information against the available corresponding source documentation and customer balances. It is important to note that the financial statements were prepared under the

guidance of Mr. Lee, a Chartered Professional Accountant, and without the involvement of an independent accounting firm or an independent audit.

62. Based on Deloitte's review of the Catalx banking records and financial source documents, Deloitte notes that the company faced escalating liquidity constraints from its inception until the Platform's de-facto end in the fall of 2023. The revenue generated from customer trading activity was insufficient to cover operating expenses, primarily employee and regulatory compliance costs. By summer 2022, Catalx experienced difficulties meeting its employee payroll obligations, and customers experienced growing frustration due to frequent error messages caused by insufficient Crypto balances in the Catalx Wallet.
63. In August 2022, Catalx and Bittrex engaged in a transaction whereby Bittrex acquired an equity stake in Catalx in exchange for Bittrex's Canadian customer base. The acquisition of Bittrex' customer base resulted in the transfer of approximately 8,100 customers from Bittrex to the Platform, bringing Crypto assets worth approximately USD\$15,258,712 into the Catalx Wallet. These new assets, which ought to have been under the custody of Catalx, served as a new source for Mr. Lee's Unauthorized Withdrawals, further contributing to the total Shortfall.
64. On November 20, 2023, Bittrex made an announcement stating its intention to cease most exchange operations and trading activity worldwide by December 4, 2023. This announcement led to the exposure of Catalx's significant liquidity constraints and the winding up of operations, as most customer assets had already been depleted due to Unauthorized Withdrawals. Furthermore, the announcement from Bittrex acted as the catalyst for the discovery of the asset misuse by the directors and shareholders of Catalx.

Restrictions and Qualifications of the Forensic Investigation

65. Deloitte's work was not designed to identify all circumstances of inappropriate behaviour or other irregularities, if any, which may exist.
66. Deloitte's findings are preliminary in nature and subject to an ongoing investigation.
67. Deloitte's ability to conclude the investigation is subject to the availability of funding that is available to the Receiver.
68. Deloitte's findings are based on the information available to us at the date of this First Report. Deloitte reserves the right, but will be under no obligation, to review its findings, and if Deloitte considers it necessary, to revise its findings in light of information, which becomes known to after the date of this First Report.
69. In Deloitte's analysis, Deloitte utilizes several sources of data to arrive at its conclusions. These sources include transactional data from the Platform, information provided by Bittrex, exchange data from third-party sources, and the output of Deloitte's Crypto investigation software, Chainalysis. The accuracy and reliability of Deloitte's conclusions are dependent on the integrity of the data we have collected from these sources.
70. The Shortfall is an estimate based on the number of units of Crypto multiplied by the conversion rate of each individual Crypto as of the Date of Receivership. The actual value of the Shortfall may be lower or greater depending on the realizable value of the Crypto in the marketplace.
71. In Deloitte's analysis, Deloitte relies on discussions with former Catalx employees and rely on the integrity and validity of information provided to us by these individuals.
72. Deloitte attempted to interview Mr. Lee in person to review banking, exchange and wallet information under his control; however, as at the date of this First Report has been unable to do so.

73. For this investigation, Deloitte was not engaged to, and did not perform, a financial statement audit, review, or compilation engagement for the purpose of expressing an opinion on, or creating, historical financial statements in accordance with standards established by Chartered Professional Accountants Canada.

Professional Fees and Disbursements

Fees and Disbursements of the Receiver

74. The Receiver's professional fees are calculated based on hours spent at rates established by each professional based on their qualifications and experience.
75. The Receiver's fees and disbursements in relation to pre-appointment activities, the administration of the Receivership and the Forensic Investigation up to and including May 9, 2024 total \$465,474 (excluding GST). This total comprises 6 interim invoices for professional fees and disbursements from December 27, 2023 to May 9, 2024.
76. In the Receiver's opinion, the services rendered in respect of these fees and disbursements have been duly rendered in response to required and necessary duties of the Receiver hereunder and are reasonable in the circumstances.

Fees and Disbursements of Legal Counsel

77. The Receiver's legal counsel's cumulative fees and disbursements on this matter total \$68,113 (excluding GST) to April 30, 2024. The accounts of the Receiver's legal counsel are calculated based on hours spent at rates established by each professional based on their qualifications and experience. The Receiver is of the opinion that legal counsel's fees are reasonable and appropriate in the circumstances. The Receiver's legal counsel's fees have been paid out of a separate \$75,000 retainer funded by Mr. Park.

Interim Statement of Receipts and Disbursements

78. The interim Statement of Receipts and Disbursements reflecting the administration of the receivership for the period January 19, 2024 to May 14, 2024 is below:

In the Matter of the Receivership of Catalx CTS Ltd. and Catalx Management Ltd. Combined Statement of Receipts and Disbursements As at May 14, 2024 (All amounts in \$CAD)	
	Total
Receipts	
Cash on hand	51,289
Guarantor deposit	750,000
Interest	2,762
Transfer to (from) other accounts	-
Total receipts	804,050
Disbursements	
Receivers Fees	(93,045)
Legal fees	-
Forensic Investigation	(191,101)
Contract services	(14,218)
WEPP priority claim	-
Mail redirection	-
GST paid	(14,207)
Filing fees to the Official Receiver	(151)
Total disbursements	(312,722)
Estate balances as at May 14, 2024	491,329
Accruals:	
Receiver's fees	(42,102)
Legal fees	(8,113)
Forensic investigation	(139,226)
WEPP Deemed Trust	(16,000)
Operating costs	(2,966)
GST paid	(9,066)
Estimated cash surplus (shortfall)	273,856

79. The activities of the Receiver and Deloitte is currently being funded by two guarantor deposits totalling \$750,000 from Mr. Park which forms the Park Security. The funds are third party funds and do not, directly or indirectly, in whole or in part, form company assets.

Conclusions and Recommendations

80. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 17 of the First Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

* * *

All of which is respectfully submitted at Calgary, Alberta this 21st day of May 2024.

DELOITTE RESTRUCTURING INC.,

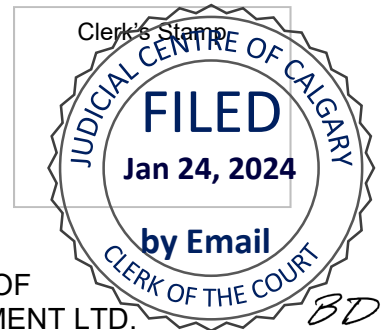
In its capacity as Court-appointed Receiver-Manager
of Catalx CTS Ltd. and Catalx Management Ltd.
and not in its personal or corporate capacity
Per:

A handwritten signature in blue ink, appearing to be 'C. Poon', is written over a horizontal line.

Cassie Poon, CIRP, LIT
Senior Vice-President

APPENDIX "A"

COURT FILE NUMBER 2401-00457
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
IN THE MATTER OF THE RECEIVERSHIP OF
CATALX CTS LTD. and CATALX MANAGEMENT LTD.
APPLICANTS CATALX CTS LTD. and HYUK JAE PARK
RESPONDENTS CATALX CTS LTD. and CATALX MANAGEMENT LTD.
DOCUMENT **RECEIVERSHIP ORDER**
ADDRESS FOR SERVICE MILLER THOMSON LLP
AND CONTACT Barristers and Solicitors
INFORMATION OF PARTY 525 – 9th Avenue SW, 43rd Floor
FILING THIS DOCUMENT Calgary, AB, T2P 1G1
Attention: James W. Reid / John-David D'Souza
Phone: 403-298-2418 / 403-298-2431
E-mail: jwreid@millerthomson.com /
jdsouza@millerthomson.com
File No.: 0281594.0001



DATE ON WHICH ORDER WAS PRONOUNCED: **January 19, 2024**
LOCATION OF HEARING: **Calgary, Alberta**
NAME OF JUSTICE WHO GRANTED THIS ORDER: **The Honourable Justice R.A. Neufeld**

UPON the application of CatalX CTS Ltd. ("**CatalX**") and Hyuk Jae Park in respect of appointing a receiver-manager over CatalX and Catalx Management Inc. ("**Catalx Management**", and together with CatalX the "**Companies**");

AND UPON having read the Originating Application, the Affidavit of Hyuk Jae Park sworn January 10, 2024, and the Affidavit of Service of Marica Ceko sworn January 15, 2024, filed;

AND UPON reading the consent of Deloitte Restructuring Inc. to act as receiver-manager (the "**Receiver**" or "**Deloitte**") of the Companies, filed;

AND UPON hearing counsel for CatalX, counsel for Hyuk Jae Park, counsel for Jae Ho Lee, counsel for the proposed Receiver, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of the Originating Application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient, if applicable, and this application is properly returnable today.

Appointment

2. Pursuant to section 13(2) of the *Judicature Act*, RSA 2000, c. J-2, section 99(a) of the *Business Corporations Act*, RSA 2000, c.B-9, and section 39 of the *Law and Equity Act*, RSBC 1996, c. 253 (as applicable), Deloitte Restructuring Inc. is hereby appointed Receiver, without security, of all of Companies’ current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

Receiver’s Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate and carry on the business of the Companies, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Companies;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to take possession of and exercise control over the Property;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies and to exercise all remedies of the Companies in collecting such monies, including, without limitation, to enforce any security held by the Companies;
- (g) to settle, extend or compromise any indebtedness owing to or by the Companies;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor for any purpose pursuant to this Order;
- (i) to undertake an investigation into the Companies' dealings, business, operations, and assets (including without limitation (i) the crypto currency assets of the Companies and (ii) the crypto currency assets or entitlements of the Companies' customers, whether now or previously in the possession of the Companies);
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Companies, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize

the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;

- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000;
 - (ii) with the approval of the Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause:

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P 7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable and in accordance with the confidentiality requirements pursuant to the *Securities Act* (Alberta);
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (p) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have;
- (q) to undertake a claims process to determine claims or entitlements of any creditors or customers against the Companies or their assets now or previously in the possession of the Companies (including without limitation cryptocurrency assets or fiat currencies);
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations; and
- (s) assign the Companies into bankruptcy;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Companies, and without interference from any other Person (as defined below).

Duty to Provide Access and Co-operation to the Receiver

4. (i) The Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Companies, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver

to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

No Proceedings Against the Receiver

7. No proceeding or enforcement process in any court or tribunal (each, a **"Proceeding"**), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

No Proceedings Against the Companies or the Property

8. No Proceeding against or in respect of the Companies or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Companies or the Property are hereby stayed and suspended pending further Order of

this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Companies or an action, suit or proceeding that is taken in respect of the Companies by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province and for clarity it includes the Alberta Securities Commission and British Columbia Securities Commission.

No Exercise of Rights of Remedies

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:
 - (a) empower the Companies to carry on any business that the Companies are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Companies from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Companies where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party, except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

No Interference with the Receiver

11. No Person shall accelerate, suspend, 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 Companies, except with the written consent of the Companies and the Receiver, or leave of this Court.

Continuation of Services

12. All persons having:
 - (a) statutory or regulatory mandates for the supply of goods and/or services; or
 - (b) oral or written agreements or arrangements with the Companies, 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 Companies,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Companies or exercising any other remedy provided under such agreements or arrangements. The Companies shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Companies in accordance with the payment practices of the Companies, or such other practices as may be agreed upon by the supplier or service provider and each of the Companies and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation its investigation or the sale of all or any of the Property in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by

the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

Employees

14. Subject to employees’ rights to terminate their employment, all employees of the Debtor shall remain the employees of the Companies until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c B-3 (“**BIA**”), other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 (“**WEPPA**”).

Limitation on Environmental Liabilities

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply

with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order:

- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - (A) complies with the order; or
 - (B) on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
 - (A) the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order;
 - (B) the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Limitation on the Receiver's Liability

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

Receiver's Accounts

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the **"Receiver's Charge"**) on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

Funding of the Receivership

20. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but

subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.

21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
24. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds collected from the investigation or the sale of any assets without further approval of this Court.

Allocation

25. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

General

26. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
27. Notwithstanding Rule 6.11 of *the Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

28. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
29. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
30. The Receiver 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 Receiver 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.
31. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Filing

32. This Order is issued and shall be filed in Court of King's Bench Action No. 2401 – 00457.
33. The Receiver shall establish and maintain a website in respect of these proceedings at <https://insolvencies.deloitte.ca/en-ca/Pages/Catalx.aspx> (the “**Receiver’s Website**”) and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

34. Service of this Order shall be deemed good and sufficient by:

(a) serving the same on:

- (i) persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
- and

(b) posting a copy of this Order on the Receiver's Website

and service on any other person is hereby dispensed with.

35. Service of this Order and any other materials filed in these proceedings may be effected by facsimile, electronic mail, ordinary mail, personal delivery, or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver and receiver manager (the "**Receiver**") of all of the assets, undertakings and properties of the CatalX CTS Ltd. and Catalx Management Ltd. (the "**Companies**") appointed over by Order of the Court of King's Bench of Alberta (the "**Court**") dated the 19th day of January, 2024 (the "**Order**") made in action number 2401 - [●], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of [\$], being part of the total principal sum of [\$] that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ● day of each month] after the date hereof at a notional rate per annum equal to the rate of [●] per cent above the prime commercial lending rate of Bank of [●] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2024.

Deloitte Restructuring Inc. solely in its capacity as Receiver of CatalX CTS Ltd. and Catalx Management Ltd., and not in its personal or corporate capacity

Per: _____

Name:

Title:

APPENDIX “B”

Search ID #: Z16835865

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 05003412-
POTENTIAL F

Search ID #: Z16835865

Date of Search: 2023-Dec-04

Time of Search: 14:20:21

Business Debtor Search For:

CATALX CTS LTD.

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete



Search ID #: Z16835862

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 05003410-
POTENTIAL F

Search ID #: Z16835862

Date of Search: 2023-Dec-04

Time of Search: 14:19:57

Business Debtor Search For:

CATALX MANAGEMENT LTD.

No Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Result Complete



APPENDIX “C”

Business Debtor - "CATALX CTS LTD."

Search Date and Time: January 25, 2024 at 10:02:13 am Pacific time
Account Name: WEST-END REGISTRATIONS, LICENCING &
Folio Number: SEARCHES LTD.
05114654

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1 Match in 1 Registration in Report

Exact Matches: 1 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	117486Q	January 4, 2024	* CATALX CTS LTD.	2

Base Registration Number: 117486Q

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 4, 2024 at 11:00:46 am Pacific time
Current Expiry Date and Time:	January 4, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 25, 2024 at 10:02:13 am Pacific time)

Secured Party Information

PARK, HYUK JAE

Address

3523 FORST AVE
COQUITLAM BC
V3B 2W7 Canada

Debtor Information

CATALX CTS LTD.

Address

525 - 8TH AVENUE SW, 43RD FLOOR
CALGARY AB
T2P 1G1 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND, WITHOUT LIMITATION, ALL FIXTURES, CROPS, AND LICENCES.

Original Registering Party

MILLER THOMSON LLP

Address

700 WEST GEORGIA STREET
SUITE 2200
VANCOUVER BC
V7Y 1K8 Canada



Business Debtor - "CATALX MANAGEMENT LTD."

Search Date and Time: January 25, 2024 at 10:00:11 am Pacific time
Account Name: WEST-END REGISTRATIONS, LICENCING &
Folio Number: SEARCHES LTD.
05114650

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1 Match in 1 Registration in Report

Exact Matches: 1 (*)

Total Search Report Pages: 3

	Base Registration	Base Registration Date	Debtor Name	Page
1	794173P	September 18, 2023	* CATALX MANAGEMENT LTD.	2

Base Registration Number: 794173P

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	September 18, 2023 at 10:21:54 am Pacific time
Current Expiry Date and Time:	September 18, 2028 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of January 25, 2024 at 10:00:11 am Pacific time)

Secured Party Information

ESFC FUNDING CO., LLC

Address

251 LITTLE FALLS DRIVE
WILMINGTON DE
19808 United States of America

Debtor Information

CATALX MANAGEMENT LTD.

Address

18225 98 AVENUE
SURREY BC
V4N 5A9 Canada

Vehicle Collateral

None

General Collateral

Base Registration General Collateral:

ALL ASSETS OF THE DEBTOR, WHETHER NOW OWNED OR HEREAFTER ACQUIRED BY THE DEBTOR AND WHERESOEVER LOCATED, AND THE PROCEEDS THEREOF, INCLUDING INSURANCE PROCEEDS.

Original Registering Party

ESC CORPORATE SERVICES LTD.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada



APPENDIX “D”

ALBERTA SECURITIES COMMISSION

INTERIM ORDER: EXTENSION

Citation: Re CatalX CTS Ltd., 2024 ABASC 5

Date: 20240105

CatalX CTS Ltd. (operating as Catalyx) and Jae Ho Lee (the Respondents)

Background

1. Staff (**Staff**) of the Alberta Securities Commission (the **Commission**) have commenced an investigation respecting CatalX CTS Ltd. (operating as Catalyx) (**Catalyx**) and associated parties (the **Investigation**).
2. On December 21, 2023, the Commission issued an order (the **Interim Order**, cited as *Re CatalX CTS Ltd.*, 2023 ABASC 167) pursuant to ss. 33 and 198(1) of the *Securities Act* (Alberta) (the **Act**) that:
 - (a) the Respondents must cease trading in or purchasing any securities or derivatives; and
 - (b) until a Notice of Hearing arising from the Investigation is issued, all evidence admitted at the hearing of Staff's application must remain confidential and must not be divulged except in accordance with section 45 of the Act.
3. The Interim Order will expire at 10:30 pm (MST) on January 5, 2024 unless extended by the Commission.
4. On January 3, 2024, Staff issued a notice of hearing (cited as *Re CatalX CTS Ltd.*, 2024 ABASC 1) seeking an extension of the Interim Order against the Respondents for a period of 12 months.
5. Staff's application was heard on January 5, 2024. The Commission received and considered documentary and *viva voce* evidence and submissions from Staff and the Respondents.

Order

6. The Commission, considering that the Respondents have been provided an opportunity to be heard, that the length of time required to conduct a hearing and to render a decision could be prejudicial to the public interest, and that it is in the public interest to do so, orders under s. 33(4) of the Act that the Interim Order is extended for a period of

12 months from the date of this order. This order takes effect immediately and expires at 6:00 pm (MST) on January 5, 2025.

7. Until a Notice of Hearing arising from the Investigation is issued, all evidence admitted at the hearing of Staff's application must remain confidential and must not be divulged except in accordance with section 45 of the Act.
8. Any party may apply to vary or revoke the terms of this order under s. 214 of the Act.

January 5, 2024

For the Commission:

"original signed by"
Tom Cotter

"original signed by"
Kari Horn



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