

COURT FILE NUMBER B301-223290
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CATALX CTS LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE LAWSON LUNDELL LLP
AND CONTACT Barristers and Solicitors
INFORMATION OF PARTY Brookfield Place
FILING THIS DOCUMENT 1100, 255 – 6th Avenue S.W.
 Calgary, Alberta
 T2P 1N2

Attention: Alexis Teasdale / Eloise Hirst

Telephone No.: 403-218-7564

Fax No.: 403-269-9494

Email: ateasdale@lawsonlundell.com /
ehirst@lawsonlundell.com

File No.: 113239.176502

AFFIDAVIT OF JUSTIN DUNPHY

Sworn on October 10, 2025

I, Justin Dunphy of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am Senior Litigation Counsel with the Alberta Securities Commission (the “**ASC**” or the “**Commission**”), the regulatory agency responsible for administering the province’s securities laws established by the *Securities Act*, R.S.A. 2000, c. S-4 (the “*Act*”). I therefore have personal knowledge of the matters sworn to in this affidavit unless I indicate that my evidence is based on some other source, in which case I believe that evidence to be true.
2. I make this affidavit in support of an Application by the Commission for advice and directions with respect to the Order (Approval of Proposal) granted in these proceedings by Justice R.A. Neufeld on June 20, 2025 (the “**Approval Order**”), and in particular, for

a direction that the Commission is permitted to proceed with the Notice of Hearing issued by it against CatalX CTS Ltd. (“**CatalX**”), Jae Ho Lee (“**Mr. Lee**”), and Hyuk Jae Park (“**Mr. Park**”) dated July 11, 2025 (the “**Notice of Hearing**”), a true copy of which is attached hereto and marked as **Exhibit “A”**.

Background

3. In December 2023, the Commission commenced an investigation into CatalX. On December 21, 2023, a panel of the Commission issued an interim order, pursuant to section 33 and 198 of the *Act*, that ceased trading in or purchasing of securities or derivatives by CatalX and Mr. Lee which was subsequently extended to January 5, 2025.

4. On January 19, 2024, the Alberta Court of King’s Bench issued a Receivership Order over the assets, undertaking and property of CatalX and CatalX Management Ltd. (“**Management**”), under which Deloitte Restructuring Inc. was appointed receiver of CatalX and Management (in such capacity, the “**Receiver**”).
5. The Commission’s investigation into CatalX continued throughout the course of CatalX’s receivership proceedings and its subsequent proposal proceedings, which were commenced by CatalX making a proposal dated May 12, 2025, which was then filed with the Office of the Superintendent of Bankruptcy Canada on May 14, 2025 (the “**Proposal**”).
6. The Commission was included on the service list in both the receivership and the proposal proceedings as an interested party.

Notice to the Commission of the Approval Application

7. On May 26, 2025, I first received a copy of the Proposal, via email sent by Kaye Tinoy, Legal Assistant at law firm BD&P, on behalf of David Legeyt. My colleagues at the ASC, Litigation Counsel Matthew Bobawsky and Senior Forensic Accountant Kevin Dusseldorp, also received that email, which contained four attachments: the service list, a cover letter for the service list, a package of documents for creditors, and the Proposal. A copy of the email from BD&P dated May 26, 2025 is attached hereto and marked as **Exhibit “B”**.

8. On June 9, 2025, counsel to the Proposal Trustee and the Receiver served the Approval Application on the service list by email, of which I was a recipient. A copy of the service email dated June 9, 2025, and the service list for the Approval Application are attached hereto and collectively marked as **Exhibit “C”**. The Commission is included as an “interested party” and I am named as a contact along with Mr. Bobawsky and Mr. Dusseldorp.
9. Based on my own knowledge and based on information from Mr. Bobawsky and Mr. Dusseldorp, at no point before the Approval Application did counsel for either CatalX or Deloitte Restructuring Inc., in its capacity as trustee under the Proposal (in such capacity, the “**Proposal Trustee**”) and Receiver, directly advise any of the Commission’s representatives in relation to the proposal proceedings that the Proposal, or the Approval Order, were intended to prohibit the Commission from commencing securities regulatory proceedings against CatalX or any of its directors.
10. I attended the Approval Hearing in person to observe the proceedings, but I did not appear on the record nor did I make submissions.
11. On June 25, 2025, counsel to the Proposal Trustee and Receiver sent an email to the service list, which included me, Mr. Bobawsky and Mr. Dusseldorp, serving a copy of the Approval Order. A copy of the service email dated June 25, 2025 is attached hereto and marked as **Exhibit “D”**.

Response from CatalX and Park to Notice of Hearing

12. On July 11, 2025, the Commission issued the Notice of Hearing.
13. The first indication the Commission had that CatalX or Mr. Park were taking the position that the Approval Order barred all further Commission proceedings was on August 8, 2025, when counsel for Mr. Park emailed me (and others) and advised that “By way of this email, I am alerting you to the fact that Mr. Reid [counsel for CatalX] and I are considering the ability of the Commission to pursue the claim against Catalyx and Mr. Park in light of the terms of Justice Neufeld’s recent order approving the bankruptcy proposal and, in particular, paragraph 12 of the same.” A copy of the August 8, 2025 email from Mr. Park’s counsel is attached hereto and marked as **Exhibit “E”**.

14. On August 19, 2025, I received a letter from James Reid of Miller Thomson LLP, insolvency counsel for CatalX and Mr. Park, in relation to the ASC's ongoing investigation and the Notice of Hearing. A copy of Mr. Reid's letter is attached hereto and marked as **Exhibit "F"**.
15. By way of a letter dated September 5, 2025, which I prepared with the assistance of other ASC litigation counsel, Staff of the Commission responded to Mr. Reid's August 19 letter at Exhibit "F". A copy of my September 5, 2025 letter is attached hereto and marked as **Exhibit "G"**.
16. Miller Thomson LLP responded to my September 5 letter at Exhibit "G" by way of a further letter on September 10, 2025. A copy of Mr. Reid's September 10, 2025 letter is attached hereto and marked as **Exhibit "H"**.

Postponement of the Hearing

17. Pursuant to the Notice of Hearing, a hearing (the "**Set Date Hearing**") was scheduled to proceed on September 15, 2025, at which a date or dates would be set for the conduct of a hearing regarding the allegations in the Notice of Hearing (the "**Merits Hearing**").
18. The Set Date Hearing did not proceed, as the Commission agreed to seek a hearing before this Court to seek advice and directions regarding the scope of paragraphs 11 and 12 of the Approval Order.

Conclusion

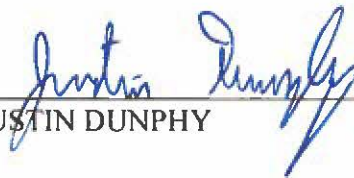
19. I make this Affidavit in support of the Commission's application for advice and directions in relation to the Approval Order, and for no other or improper purpose.

SWORN BEFORE ME at the City of Calgary,)
 in the province of Alberta this 10th day of)
 October, 2025.)



 A Commissioner for Oaths / Notary Public
 in and for the Province of Alberta

RICHARD VAN DORP
 Barrister & Solicitor



 JUSTIN DUNPHY

THIS IS **EXHIBIT "A"** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025



A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor

ALBERTA SECURITIES COMMISSION

Citation: Re CatalX Ltd., 2025 ABASC 98

File No.: ENF-013419

Date: 20250711

NOTICE OF HEARING

To: CatalX CTS Ltd. (operating as Catalyx), Jae Ho Lee, Hyuk Jae Park
(Respondents)

Notice: The Alberta Securities Commission (the **Commission**) will convene at 1:00 p.m. on Monday, September 15, 2025, or as otherwise directed (the **Set Date Hearing**), at Calgary, Alberta, to set a date or dates for the conduct of a hearing regarding the allegations in this Notice (the **Merits Hearing**). At the Merits Hearing, the Commission will consider whether the allegations have been proven. If so, the Commission will subsequently consider whether it is in the public interest to make orders against you under sections 198, 199, and 202 of the *Securities Act*, RSA 2000, c. S-4, as amended (the *Act*).

Location: Alberta Securities Commission, 5th Floor, 250 – 5 Street S.W., Calgary, Alberta.

Procedure:

1. You may obtain disclosure and further information about particulars of the allegations in this Notice from Justin Dunphy, c/o Alberta Securities Commission, 600, 250 - 5 Street S.W., Calgary, Alberta, T2P 0R4, telephone: 403.355.1507, email: justin.dunphy@asc.ca.
2. You may be represented by legal counsel or represent yourself. You or your legal counsel may make representations at the Set Date Hearing as part of the process for scheduling the Merits Hearing and the hearing management sessions that will take place between the Set Date Hearing and the Merits Hearing. At the Merits Hearing, you or your legal counsel may make representations and introduce relevant evidence regarding the allegations in this Notice.
3. If you or your legal counsel fail to attend the Set Date Hearing, the scheduling of the Merits Hearing and the hearing management sessions may proceed in your absence without further notice, and the Merits Hearing itself may proceed in your absence without further notice, following which orders may be made against you.

See attached sections 29, 93(1), 93.2, 198, 199 and 202 of the Act, and Commission Rule 15-501 – Rules of Practice and Procedure for Commission Proceedings.

Reciprocation: Take notice that orders or settlements made by the Commission may form the basis for parallel orders in other jurisdictions in Canada. The securities laws of some other Canadian jurisdictions may allow orders made in this matter to take effect in those other jurisdictions automatically, without further notice to you. If an order is made or a settlement agreement is reached in relation to this Notice, you should contact the securities regulator of any other jurisdiction in which you may intend to engage in any securities related activities.

Allegations

Respondents and Relevant Corporations

1. CatalX CTS Ltd. (**Catalyx**) is a company incorporated in British Columbia on February 5, 2018 under a predecessor name and continued in Alberta on September 10, 2019. Catalyx operated a crypto asset trading platform (**CTP**) at <https://catalyx.io> (the **Platform**) from February 2019 to January 2024 (**Relevant Period**).
2. Jae Ho Lee (**Lee**) is an individual whose last known address was Surrey, British Columbia. During the Relevant Period, Lee was a shareholder, director, chief financial officer and chief operating officer of Catalyx.
3. Hyuk Jae Park (**Park**) is an individual who resides in Vancouver, British Columbia. During the Relevant Period, Park was a director, shareholder and chief executive officer (**CEO**) of Catalyx.
4. Catalx Management Ltd. (**Catalyx Management**) is a company incorporated in British Columbia on August 28, 2018. Both Lee and Park were directors of Catalx Management during the Relevant Period. Catalx Management was responsible for funding the day-to-day operations of Catalyx, including payroll and operational expenses.
5. 56 Financials Inc. (**56 Financials**) is a company incorporated in Alberta on August 7, 2012. During the Relevant Period, Catalyx was its sole shareholder and Lee was its sole director.
6. Remote Bittax Services Ltd. (**Remote Bittax**) is a company incorporated in British Columbia on December 15, 2020. During the Relevant Period, Lee was Remote Bittax's sole director.
7. Bittrex Global GmbH (**Bittrex**), a Lichtenstein-based corporation licensed under the Lichtenstein *Token and Trusted Technology Service Provider Act* as a Token Depository and regulated by the Lichtenstein Financial Market Authority, acted as the third-party custodian for Catalyx.

Circumstances

8. During the Relevant Period, Catalyx offered CTP services to clients on the Platform that included the ability to deposit, buy, sell, hold, withdraw and transfer crypto assets.
9. During the Relevant Period, Catalyx made representations to clients on its website and in its terms of service (**Terms of Service**) about the CTP services it provided, including that:
 - 9.1 clients could fund their accounts by transferring crypto assets to a wallet address provided by Catalyx or by depositing fiat currency into bank accounts controlled by Catalyx;
 - 9.2 crypto assets transferred, and fiat currency deposited, to client accounts on the Platform would be held in trust for clients; and
 - 9.3 clients could trade fiat currency for crypto assets, as well as crypto assets for other crypto assets, by placing orders on the Platform.

(the Representations)

10. During the Relevant Period, Lee was responsible for the day-to-day operations of Catalyx. Lee also had signing authority over bank accounts held by Catalyx, Catalyx Management, 56 Financials and Remote Bittax. Crypto assets belonging to Catalyx's clients on the Platform were custodied by Bittrex, and Lee had unrestricted access to Catalyx's account at Bittrex.
11. As of September 30, 2023, Catalyx reported to the Commission that it held approximately \$12,900,000 USD worth of clients' crypto assets on the Platform.
12. By the end of 2023, clients were unable to trade or otherwise withdraw and transfer their fiat currency or crypto assets purportedly held in trust for clients on the Platform.
13. On January 19, 2024, Deloitte Restructuring Inc. (the **Receiver**) was appointed by the Court of King's Bench of Alberta as receiver for Catalyx and Catalyx Management under section 13(2) of the *Judicature Act*, RSA 2000, c J-2 and section 99(a) of the *Business Corporations Act*, RSA 2000, c B-9.
14. As of January 19, 2024, the Receiver reported that Catalyx's books and records showed approximately \$13,958,000 USD in crypto assets held on the Platform, but that the actual value of the crypto assets was approximately \$151,000 USD.

Lee's Fraudulent Course of Conduct

15. The agreement between clients, who acknowledged the Terms of Service upon creating accounts on the Platform through Catalyx's website, and Catalyx, were securities within the meaning of section 1(ggg) of the *Act* or derivatives within the meaning of section 1(n.01) of the *Act*.

16. During the Relevant Period, and contrary to the Representations, Lee misappropriated clients' crypto assets and deposits of fiat currency and used them for unauthorized purposes.
17. Beginning in February 2019, Lee withdrew at least \$14,030,000 CAD worth of clients' crypto assets from the Platform and transferred them to his own accounts at other CTPs as well as accounts under his direction and control with Remote Bittax at other CTPs. Lee returned approximately \$6,350,000 worth of crypto assets to the Platform.
18. Lee engaged in unauthorized uses of clients' crypto assets, including by:
 - 18.1 trading clients' crypto assets at the other CTPs;
 - 18.2 redeeming clients' crypto assets into fiat currency and depositing the proceeds into bank accounts held by Lee or Remote Bittax; and
 - 18.3 using clients' crypto assets purportedly to pay Catalyx's operational expenses.
19. In addition, during the Relevant Period, clients deposited fiat currency, mainly via e-transfer, into a bank account held by 56 Financials, which was intended to be transferred by Catalyx to Bittrex in order to allow clients to trade on the Platform.
20. Between June 2022 and June 2023, Lee, who had access and control over the 56 Financials bank account that held clients' fiat currency, as well as client fiat currency held at Bittrex, misappropriated those monies to Catalyx Management bank accounts for unauthorized purposes, including by:
 - 20.1 purportedly paying Catalyx's operating expenses; and
 - 20.2 transferring monies to personal bank accounts related to Lee, as well as individuals or entities associated with him.
21. The acts, practices or courses of conduct described in paragraphs 16, 17, 18 and 20 were acts of deceit, falsehood or other fraudulent means (the **Prohibited Acts**).

The Prohibited Acts Caused Deprivation

22. The Prohibited Acts caused deprivation, including by:
 - 22.1 depriving, or increasing the risk of deprivation to Catalyx users by removing the crypto assets custodied at Bittrex and held on the Platform in trust on their behalf; and
 - 22.2 depriving, or increasing the risk of deprivation to Catalyx users by removing their fiat currency held in the 56 Financials bank account in trust on their behalf, as well as the fiat currency custodied at Bittrex and held on the Platform.

Lee had Knowledge of Prohibited Acts and Deprivation

23. Lee had subjective knowledge of Prohibited Acts and had knowledge that the Prohibited Acts could put the pecuniary interests of clients at risk or cause them to suffer an actual loss.
24. In carrying out the Prohibited Acts, Lee engaged or participated directly or indirectly in an act, practice or course of conduct relating to a security or derivative that he knew or ought to have known may perpetrate a fraud on clients.

Catalyx's Written Undertaking to the Commission

25. On February 22, 2023, the Canadian Securities Administrators (CSA) issued CSA Staff Notice 21-332, indicating that all CTPs were required to file a pre-registration undertaking with the relevant CSA jurisdiction to permit them to continue operating in Canada while they seek registration and related exemptive relief with their respective securities regulator.
26. On March 24, 2023, Park, as CEO and on behalf of Catalyx, signed a pre-registration undertaking (the **Catalyx PRU**) with the Commission. Pursuant to the Catalyx PRU Catalyx undertook, among other things, to:
 - 26.1 promptly inform the Commission in writing of any material breach or failure of Catalyx or any of its third-party custodian's system of control or supervision, and what steps had been taken by Catalyx to address each such breach or failure;
 - 26.2 ensure it was proficient and experienced in holding crypto assets and had established and would maintain and apply policies and procedures that manage and mitigate custodial risks.
27. Any loss of clients' crypto assets was a material breach within the meaning of the Catalyx PRU described in subparagraph 26.1 that Catalyx was required to promptly report to the Commission.
28. The Catalyx PRU was a written undertaking to the Commission under section 93.2 of the *Act*.

Failure to Report a Material Breach

29. No later than November 24, 2023, Park was aware that Lee engaged in the Prohibited Acts and that clients had suffered the losses.
30. The loss described in paragraph 22 was a material breach within the meaning of the PRU, and despite discovery of the material breach on November 24, 2023, Catalyx failed to promptly inform the Commission of the material breach. On December 5, 2023 Catalyx informed the Commission that it was withdrawing from the Catalyx PRU, but failed to inform the Commission about the material breach.

31. Catalyx failed to inform the Commission about the material breach until December 21, 2023.

Failure to Maintain System of Controls

32. From March 24, 2023 until January 2024, Catalyx failed to establish and maintain and apply policies and procedures to manage and mitigate custodial risks, specifically, the risk that an employee would remove clients' fiat currency and crypto assets that were meant to be held in trust for clients. In particular, Catalyx failed to:
 - 32.1 ensure proper financial controls existed to:
 - 32.1.1 detect the removal of clients' crypto assets that were not authorized by the clients themselves;
 - 32.1.2 detect the improper removal and use of clients' fiat currency deposits for operational expenses; and
 - 32.2 ensure proper controls existed regarding the segregation of duties to prevent an individual employee from having unrestricted access to bank accounts under Catalyx's control and Catalyx accounts associated with Bittrex.

Park Authorized, Permitted or Acquiesced to the Failure to Comply with PRU

33. Park authorized, permitted or acquiesced in the breaches of undertakings of the Catalyx PRU as described in paragraphs 29 to 32 of this Notice.

Breaches

34. As a result of the above, Staff allege that:
 - 34.1 Lee breached section 93(1)(b) of the *Act* by directly or indirectly engaging or participating in an act, practice or course of conduct relating to a security or a derivative that he knew or ought to have perpetrated a fraud on clients;
 - 34.2 Catalyx breached section 93.2 of the *Act* by failing to comply with a written undertaking to the Commission to promptly report a material breach of the PRU to the Commission; and
 - 34.3 Catalyx breached section 93.2 of the *Act* by failing to comply with a written undertaking to the Commission to establish and maintain and apply policies and procedures that managed and mitigated custodial risks, including but not limited to, an effective system of controls and supervision to safeguard clients' crypto assets.

35. Park authorized, permitted or acquiesced to the breaches of undertaking as set out in subparagraphs 34.2 and 34.3.

Calgary, Alberta, 11 July, 2025.

) ALBERTA SECURITIES COMMISSION

)

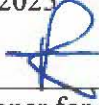
)

) *"Original Signed By"*

) Samir Sabharwal

) Executive Director

THIS IS **EXHIBIT "B"** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025

A handwritten signature in blue ink, appearing to be 'R. Van Dorp', is written over a horizontal line.

A Commissioner for Oaths/Notary Public
In and for the Province of Alberta
RICHARD VAN DORP
Barrister & Solicitor

Alexis Teasdale (4564) - 11Flr

From: Kaye Tinoy <ktinoy@bdplaw.com>
Sent: May 26, 2025 2:42 PM
To: jae@catalyx.io; jwreid@millerthomson.com; jdsouza@millerthomson.com; aprasek@deloitte.ca; caspoon@deloitte.ca; pearson@churchlegal.com; church@churchlegal.com; rgrewal@stikeman.com; adanglejan@stikeman.com; mkonyukhova@stikeman.com; dedinger@singleton.com; wilsona@jssbarristers.ca; Ryan Algar; David LeGeyt; bill@ohananorthwest.com; miksmitchdn@gmail.com; brad.mitchell@albertarealtor.ca; cchurch@clearnorthcapital.com; gchipeur@millerthomson.com; ahallman@telusplanet.net; andrea@ttgcanada.com; koleya@koleya.ca; justin@j3solution.com; kpaciorek@bflcanada.ca; ckelly@kswlaw.com; mcoleman@kswlaw.com; jstivrins@kswlaw.com; rdiaz@kswlaw.com; Matthew Bobawsky(On Leave); Justin Dunphy; Kevin Dusseldorp; eveningteam@cscinfo.com; searchandreg@eservicecorp.ca; sam.gabor@gowlingwlg.com; jessica.ko@justice.gc.ca; george.body@justice.gc.ca; kasydi.mack@justice.gc.ca
Cc: David LeGeyt; Ryan Algar
Subject: Service Letter re Meeting Materials // Catalx CTS Ltd. and Catalx Management Ltd. Court File No. 2401-00457 ITMO Proposal of Catalx CTS Ltd. // Our Matter No. 75083-3 Deloitte-Catalx CTS Ltd. - SERVICE LIST - as of November 22, 2024.pdf; Catalx - Division I Proposal - Signed.pdf; Catalx - Creditor Package.pdf; Service Letter to the Service List re Meeting Materials, May 2025.pdf
Attachments:



SENT ON BEHALF OF DAVID LeGEYT

Good afternoon, Service List,

Please see the attached correspondence and its enclosures with regards to the proposal hearing scheduled to take place on Friday, June 20th 2025 at 2:00 p.m.

Best regards,

Kaye Tinoy (she/her)
Legal Assistant, Resource Team

P: 403.260.0251
C: 403.971.1307
2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1
bdplaw.com



The information transmitted is intended only for the addressee and may contain confidential, proprietary and/or privileged material. Any unauthorized review, distribution or other use of or the taking of any action in reliance upon this information is prohibited. If you received this in error, please contact the sender and delete or destroy this message and any copies. BD&P is the trade name and logo of Burnet, Duckworth & Palmer LLP, a limited liability partnership established for the practice of law.

THIS IS **EXHIBIT "C"** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025

A handwritten signature in blue ink, appearing to be 'R. Van Dorp', is written over a horizontal line.

A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor

Alexis Teasdale (4564) - 11Flr

From: Angelamor Donor <adonor@bdplaw.com>
Sent: June 9, 2025 3:37 PM
To: jae@catalyx.io; jwreid@millerthomson.com; jdsouza@millerthomson.com; aprasek@deloitte.ca; caspoon@deloitte.ca; pearson@churchlegal.com; church@churchlegal.com; rgrewal@stikeman.com; adanglejan@stikeman.com; mkonyukhova@stikeman.com; dedinger@singleton.com; wilsona@jssbarristers.ca; bill@ohananorthwest.com; miksmitchdn@gmail.com; brad.mitchell@albertarealtor.ca; cchurch@clearnorthcapital.com; gchipeur@millerthomson.com; ahallman@telusplanet.net; andrea@ttgcanada.com; koleya@koleya.ca; justin@j3solution.com; kpaciorek@bflcanada.ca; ckelly@kswlaw.com; mcoleman@kswlaw.com; jstivrins@kswlaw.com; rdiaz@kswlaw.com; matthew.bobawsky@asc.ca; justin.dunphy@asc.ca; Kevin.Dusseldorp@asc.ca; eveningteam@cscinfo.com; searchandreg@eservicecorp.ca; feedback+id5260086@slack.zendesk.com; sam.gabor@gowlingwlg.com
Cc: David LeGeyt; Ryan Algar; Jessica MacKinnon
Subject: ITMO Catalx CTS Ltd., et al. // Action No. 2401-00457 & File No. 25-3223290 // Our Matter No. 75083-3
Attachments: 00 Service Letter to the Service List re Receivership Action and Proposal Application Materials(14387654.1).pdf; 04 Book of Authorities(14416977.1).pdf; Service List(13846391.1).pdf; 03 Brief in support of Proposal Approval Order(14410266.2).pdf; 01 Receiver Discharge Application, filed 09Jun2025.pdf; 02 Form 40 - Report of Trustee on Proposal.pdf; 02 Second and Final Receiver's Report, filed 09Jun2025.pdf; 01 Proposal Approval Application(14384778.2).pdf

SENT ON BEHALF OF DAVID LeGEYT

Good afternoon Service List:

Please see the attached correspondence and its enclosures with regards to the application before Justice Neufeld on Friday, June 20th at 2:00PM.

With thanks,

Angel

Angelamor "Angel" Donor [she/her]

Legal Assistant to David LeGeyt | Ryan Algar | Jessica MacKinnon

P: 403.260.9462

2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1

bdplaw.com



The information transmitted is intended only for the addressee and may contain confidential, proprietary and/or privileged material. Any unauthorized review, distribution or other use of or the taking of any action in reliance upon this information is prohibited. If you received this in error, please contact the sender and delete or destroy this message and any copies. BD&P is the trade name and logo of Burnet, Duckworth & Palmer LLP, a limited liability partnership established for the practice of law.

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	SERVICE LIST (Updated May 21, 2024)

PARTY	METHOD OF DELIVERY	ROLE / INTEREST
CATALX CTS LTD. 421 7 Ave SW, Calgary, Alberta, T2P 4K9, Canada Hyuk Jae Park Email: jae@catalyx.io	Email	Applicants
MILLER THOMSON LLP. 3000, 700 - 9th Avenue SW Calgary, Alberta, T2P 3V4, Canada James Reid Tel: 403.298.2418 Email: jwreid@millerthomson.com John-David D'Souza Tel: 403.830.2162 Email: jdsouza@millerthomson.com	Email	Counsel to the Applicants
DELOITTE RESTRUCTURING INC. 850 2 St SW Calgary, Alberta, T2P 0R8, Canada Andre Prasek Tel: 403.267.3327 Email: aprasek@deloitte.ca Cassie Poon Tel: 403.267.1817 Email: caspoon@deloitte.ca	Email	Receiver
CHURCH & COMPANY 900-1040 West Georgia Street Vancouver, British Columbia, V6E 4H1, Canada Andrew Pearson Tel: 604.331.9503 Email: pearson@churchlegal.com David Church Tel: 604.331.9501 Email: church@churchlegal.com	Email	Counsel to Hyuk Jae Park

PARTY	METHOD OF DELIVERY	ROLE / INTEREST
STIKEMAN ELLIOT LLP. 5300 Commerce Court West 199 Bay Street Toronto, Ontario, M5L 1B9, Canada Ramandeep Grewal Tel: 416.869.5265 Email: rgrewal@stikeman.com Alix d'Anglejan-Chatillon Tel: 514.397.3240 Email: adanglejan@stikeman.com Maria Konyukhova Tel: 416.869.5230 Email: mkonyukhova@stikeman.com	Email	Counsel to Bittrex Global
SINGLETON URQUHART REYNOLDS VOGEL LLP. 925 W. Georgia St., Suite 1200 Vancouver, British Columbia, V6C 3L2, Canada H. David Edinger Email: dedinger@singleton.com JENSEN SHAWA SOLOMON DUGUID HAWKES LLP. (JSS BARRISTERS) 800, 304 – 8 Avenue SW Calgary, Alberta T2P 1C2, Canada Andrew Wilson Email: wilsona@jssbarristers.ca	Email	Counsel to Jae Ho Lee
BURNET, DUCKWORTH & PALMER LLP 525 8 Ave. SW #2400, Calgary, Alberta, T2P 1G1, Canada Ryan Algar Email: ralgar@bdplaw.com David LeGeyt Email: dlegeyt@bdplaw.com	Email	Counsel to the Receiver

PARTY	METHOD OF DELIVERY	ROLE / INTEREST
FORMER DIRECTORS OF CATALX CTS LTD. Bill Shihara Email: bill@ohananorthwest.com Michael Smith Email: miksmitchdn@gmail.com Brad Mitchell Email: brad.mitchell@albertarealtor.ca Cody Church Email: cchurch@clearnorthcapital.com Gerald Chipeur KC Email: gchipeur@millerthomson.com Allan Hallman Email: ahallman@telusplanet.net Andrea J. Shaw Email: andrea@ttgcanada.com Koleya Karrington Email: koleya@koleya.ca Sung Hun Kim (Justin Kim) Email: justin@j3solution.com	Email	Former Director

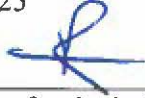
INTERESTED PARTIES		
BFL CANADA RISK AND INSURANCE SERVICES INC. 1177 West Hastings Street, Suite 200 Vancouver, British Columbia, V6E 2K3, Canada Kora Paciorek Tel: 236.202.0003 Email: kpaciorek@bflcanada.ca	Email	Insurance Broker to the Applicant
KISSEL STRATON & WILMER LLP 580 White Plains Road, 5th Floor Tarrytown, New York 10591, United States of America Cynthia Kelly Email: ckelly@kswlaw.com Meridith A. Coleman Challenger Email: mcoleman@kswlaw.com Jennifer R. Stivrins Email: jstivrins@kswlaw.com Renee Dias Email: rdiaz@kswlaw.com	Email	Counsel to Relm Insurance
ALBERTA SECURITIES COMMISSION 250 5 Street SW, Suite 600 Calgary, Alberta, T2P 0R4, Canada Matthew Bobawsky Email: matthew.bobawsky@asc.ca Justin Dunphy Email: justin.dunphy@asc.ca Kevin Dusseldorp Email: Kevin.Dusseldorp@asc.ca	Email	Alberta Securities Commission
ESFC FUNDING CO., LLC 251 Little Falls Drive Wilmington DE 19808 United States of America Email: eveningteam@cscinfo.com ESC CORPORATE SERVICES LTD. 201-1325 Polson Dr., Vernon, BC, V1T 8H2, Canada Email: searchandreg@eservicecorp.ca	Email	PPR registrant

INTERESTED PARTIES		
SLACK TECHNOLOGIES INC. 500 Howard Street, San Francisco, California 94105, United States Email: feedback+id5260086@slack.zendesk.com	Email	Service Provider
GOWLING WLG 1600, 421 7th Avenue SW Calgary, Alberta, T2P 4K9 Sam Gabor Email: sam.gabor@gowlingwlq.com	Email	Counsel to ESFC Funding Co., LLC

Email List:

jae@catalyx.io; jwreid@millerthomson.com; idsouza@millerthomson.com; aprasek@deloitte.ca; caspoon@deloitte.ca; pearson@churchlegal.com; church@churchlegal.com; rgrewal@stikeman.com; adanglejan@stikeman.com; mkonyukhova@stikeman.com; dedinger@singleton.com; wilsona@jssbarristers.ca; ralgar@bdplaw.com; dlegeyt@bdplaw.com; bill@ohananorthwest.com; miksmitchdn@gmail.com; brad.mitchell@albertarealtor.ca; cchurch@clearnorthcapital.com; gchipeur@millerthomson.com; ahallman@telusplanet.net; andrea@ttqcanada.com; koleya@koleya.ca; justin@j3solution.com; kpaciorek@bflcanada.ca; ckelly@kswlaw.com; mcoleman@kswlaw.com; jstivrins@kswlaw.com; rdiaz@kswlaw.com; matthew.bobawsky@asc.ca; justin.dunphy@asc.ca; Kevin.Dusseldorp@asc.ca; eveningteam@cscinfo.com; searchandreg@eservicecorp.ca; feedback+id5260086@slack.zendesk.com; sam.gabor@gowlingwlq.com;

THIS IS **EXHIBIT "D"** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025

A handwritten signature in blue ink, appearing to be 'R. Van Dorp', is written over a horizontal line.

A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor

Alexis Teasdale (4564) - 11Flr

From: Angelamor Donor <adonor@bdplaw.com>
Sent: June 25, 2025 1:56 PM
To: jae@catalyx.io; jwreid@millerthomson.com; jdsouza@millerthomson.com; aprasek@deloitte.ca; caspoon@deloitte.ca; pearson@churchlegal.com; church@churchlegal.com; rgrewal@stikeman.com; adanglejan@stikeman.com; mkonyukhova@stikeman.com; dedinger@singleton.com; wilsona@jssbarristers.ca; bill@ohananorthwest.com; miksmitchdn@gmail.com; brad.mitchell@albertarealtor.ca; cchurch@clearnorthcapital.com; gchipeur@millerthomson.com; ahallman@telusplanet.net; andrea@ttgcanada.com; koleya@koleya.ca; kpaciorek@bflcanada.ca; ckelly@kswlaw.com; mcoleman@kswlaw.com; jstivrins@kswlaw.com; rdiaz@kswlaw.com; Matthew Bobawsky(On Leave); Justin Dunphy; Kevin Dusseldorp; eveningteam@cscinfo.com; searchandreg@eservicecorp.ca; feedback+id5260086@slack.zendesk.com; sam.gabor@gowlingwlw.com
Cc: David LeGeyt; Ryan Algar; Jessica MacKinnon
Subject: RE: ITMO Catalx CTS Ltd., et al. // Action No. 2401-00457 & File No. 25-3223290 // Our Matter No. 75083-3
Attachments: 2401-00457-Filed-2025-06-25-King's-Bench-Order-Civil.pdf; B301-223290-Filed-2025-06-23-Order.pdf



SENT ON BEHALF OF DAVID LeGEYT

Good afternoon Service List:

Please find attached the filed Orders granted by Justice Neufeld on Friday, June 20th.

With thanks,

Angel

Angelamor "Angel" Donor [she/her]

Legal Assistant to David LeGeyt | Ryan Algar | Jessica MacKinnon

P: 403.260.9462

From: Angelamor Donor
Sent: Wednesday, June 11, 2025 2:51 PM
To: jae@catalyx.io; jwreid@millerthomson.com; jdsouza@millerthomson.com; aprasek@deloitte.ca; caspoon@deloitte.ca; pearson@churchlegal.com; church@churchlegal.com; rgrewal@stikeman.com; adanglejan@stikeman.com; mkonyukhova@stikeman.com; dedinger@singleton.com; wilsona@jssbarristers.ca; bill@ohananorthwest.com; miksmitchdn@gmail.com; brad.mitchell@albertarealtor.ca; cchurch@clearnorthcapital.com; gchipeur@millerthomson.com; ahallman@telusplanet.net; andrea@ttgcanada.com; koleya@koleya.ca; kpaciorek@bflcanada.ca; ckelly@kswlaw.com; mcoleman@kswlaw.com; jstivrins@kswlaw.com; rdiaz@kswlaw.com; matthew.bobawsky@asc.ca; justin.dunphy@asc.ca; Kevin.Dusseldorp@asc.ca; eveningteam@cscinfo.com; searchandreg@eservicecorp.ca; feedback+id5260086@slack.zendesk.com; sam.gabor@gowlingwlw.com
Cc: David LeGeyt <dlegeyt@bdplaw.com>; Ryan Algar <ralgar@bdplaw.com>; Jessica MacKinnon

<JMacKinnon@bdplaw.com>

Subject: RE: ITMO Catalx CTS Ltd., et al. // Action No. 2401-00457 & File No. 25-3223290 // Our Matter No. 75083-3

Good afternoon Service List:

Further to our correspondence below, please see the attached filed stamped first pages of the application materials for File No. 25-3223290. Also, below is the Webex details for your records:

File #(s) : 2401 00457

Style of Cause: CATALX CTS LTD. v. CALALX CTS LTD.

Date/Duration: Jun 20, 2025 02:00 PM

Total: 150 Minute(s)

Booking Type/List: Commercial

Purpose of Hearing: Commercial Hearing

Counsel: James William Reid;David LeGeyt;

Special Requirements:

Requirements: Courtroom Required

Equipment: Video Conferencing

Notes: CCM

Virtual Courtroom 60 has been assigned for the above noted matter:

Virtual Courtroom Link: <https://albertacourts.webex.com/meet/virtual.courtroom60>

Many thanks,

Angel

Angelamor "Angel" Donor [she/her]

Legal Assistant to David LeGeyt | Ryan Algar | Jessica MacKinnon

P: 403.260.9462

From: Angelamor Donor

Sent: Monday, June 09, 2025 3:37 PM

To: jae@catalyx.io; jwreid@millerthomson.com; jdsouza@millerthomson.com; aprasek@deloitte.ca; caspoon@deloitte.ca; pearson@churchlegal.com; church@churchlegal.com; rgrewal@stikeman.com; adanglejan@stikeman.com; mkonyukhova@stikeman.com; dedinger@singleton.com; wilsona@jssbarristers.ca; bill@ohananorthwest.com; miksmitchdn@gmail.com; brad.mitchell@albertarealtor.ca; cchurch@clearnorthcapital.com; gchipeur@millerthomson.com; ahallman@telusplanet.net; andrea@ttgcanada.com; koleya@koleya.ca; justin@j3solution.com; kpaciorek@bflcanada.ca; ckelly@kswlaw.com; mcoleman@kswlaw.com; jstivrins@kswlaw.com; rdiaz@kswlaw.com; matthew.bobawsky@asc.ca; justin.dunphy@asc.ca; Kevin.Dusseldorp@asc.ca; eveningteam@cscinfo.com; searchandreg@eservicecorp.ca; feedback+id5260086@slack.zendesk.com; sam.gabor@gowlingwlg.com

Cc: David LeGeyt <dlegeyt@bdplaw.com>; Ryan Algar <ralgar@bdplaw.com>; Jessica MacKinnon <JMacKinnon@bdplaw.com>

Subject: ITMO Catalx CTS Ltd., et al. // Action No. 2401-00457 & File No. 25-3223290 // Our Matter No. 75083-3

SENT ON BEHALF OF DAVID LeGEYT

Good afternoon Service List:

Please see the attached correspondence and its enclosures with regards to the application before Justice Neufeld on Friday, June 20th at 2:00PM.

With thanks,

Angel

Angelamor "Angel" Donor [she/her]

Legal Assistant to David LeGeyt | Ryan Algar | Jessica MacKinnon

P: 403.260.9462

2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1

bdplaw.com



The information transmitted is intended only for the addressee and may contain confidential, proprietary and/or privileged material. Any unauthorized review, distribution or other use of or the taking of any action in reliance upon this information is prohibited. If you received this in error, please contact the sender and delete or destroy this message and any copies. BD&P is the trade name and logo of Burnet, Duckworth & Palmer LLP, a limited liability partnership established for the practice of law.

THIS IS **EXHIBIT “E”** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025

A handwritten signature in blue ink, appearing to be 'R. Van Dorp', is written above a horizontal line.

A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor

Alexis Teasdale (4564) - 11Flr

From: Andrew Pearson <Pearson@churchlegal.com>
Sent: August 8, 2025 11:19 AM
To: Justin Dunphy; Andrew Wilson KC; David Church; jwreid@millerthomson.com
Cc: Matthew Bobawsky(On Leave)
Subject: Deletion of document link / other matters - Catalyx



August 8, 2025

Mr. Dunphy: I am informed by my office staff that the link to the 695 documents has been deleted, as you requested.

With respect to the Commission's recent disclosure, Commission staff referred to various "exhibits" during the interview of Mr. Park. Despite my request that copies of these documents be provided to us, the ASC staff refused to do so. From a quick view of the transcripts now produced, it would appear that there may be as many as 200 or more such exhibits. Presumably some or all of these documents are ones which staff will seek to tender at any hearing. Some, but not all, of the exhibits appear to be in the disclosure, albeit in an unorganized way. Presumably ASC staff have these documents organized by number. Please send us a link to such an organized list.

Only the transcript from the initial interview of Mr. Park appears to have been produced. There were three other interviews. Please either provide us with copies of the transcripts or, if they are in the existing disclosure, provide us with the document numbers.

Please also identify the witnesses that staff intend to call at any hearing and/or excerpts of transcripts which they will seek to tender, so that we can focus our review of the thousands of documents that have been produced by the ASC.

In requesting information about the Commission's disclosure we are in no way conceding that the ASC has the ability to proceed against Mr. Park. By way of this email, I am alerting you to the fact that Mr. Reid and I are considering the ability of the Commission to pursue the claim against Catalyx and Mr. Park in light of the terms of Justice Neufeld's recent order approving the bankruptcy proposal and, in particular, paragraph 12 of the same.

Yours truly,

CHURCH & COMPANY

By:

Andrew Pearson Law Corporation
Direct: 604-331-9503
General: 604-408-8277
www.churchlegal.com

The information contained in this transmission is privileged and/or confidential information intended for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

From: Justin Dunphy <Justin.Dunphy@asc.ca>
Sent: Thursday, August 7, 2025 12:09 PM
To: Andrew Wilson KC <wilsona@jssbarristers.ca>; Andrew Pearson <Pearson@churchlegal.com>; David Church <Church@churchlegal.com>; jwreid@millerthomson.com
Cc: Matthew Bobawsky <Matthew.Bobawsky@asc.ca>
Subject: ENF-03419 - CatalX CTS Ltd - Disclosure
Importance: High

Good afternoon,

Further to the disclosure sent to the parties on Friday, August 1st, we have become aware that there are two hyperlinked spreadsheets which are indexes of the documents:

1. ENF-013419 CatalX CTS Ltd – Staff Disclosure.xlsx (containing links to 5326 documents)
2. XENF-013419 CatalX CTS Ltd – Staff Disclosure.xlsx (containing links to 695 documents)

The second spreadsheet contains links to 695 documents that are completely unrelated to this matter and pertain to a separate and unrelated investigation, notwithstanding the name of the spreadsheet. None of the documents pertaining to this spreadsheet have been provided as part of the disclosure and as such the links do not work.

We request that the parties delete the second spreadsheet as it was sent inadvertently and please provide us with confirmation of the same.

Thank you,

Justin



Justin Dunphy
Senior Litigation Counsel
Alberta Securities Commission
Suite 600, 250-5th Street SW, Calgary, AB, T2P 0R4
Phone: 403.355.1507
Fax: 403.297.6156
Email: Justin.Dunphy@asc.ca

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE ADDRESSEE AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED AND CONFIDENTIAL. If you are not the intended recipient, you are hereby notified that any dissemination is strictly prohibited. If you have received this communication in error please reply to the sender immediately.

THIS IS **EXHIBIT "F"** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025



A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor



MILLER THOMSON LLP
525 - 8TH AVENUE S.W., 43RD FLOOR
EIGHTH AVENUE PLACE EAST
CALGARY, AB T2P 1G1
CANADA

T 403.298.2400
F 403.262.0007

MILLERTHOMSON.COM

August 19, 2025

PRIVILEGED AND CONFIDENTIAL

VIA EMAIL

Justin.Dunphy@asc.ca

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, AB T2P 0R4

Attention: Justin Dunphy

Dear Mr. Dunphy,

Re: *In the Matter of the Receivership of CatalX CTS Ltd. and CatalX Management Ltd.*, Court File No. 2401-00457

***In the Matter of the Proposal of CatalX CTS Ltd.*, Court File No. B301-223290**

We are counsel to CatalX CTS Ltd. ("**CatalX**") in the above-noted receivership proceeding, and its director Hyuk Jae Park ("**Mr. Park**") in the above-noted proposal proceeding. Copied is Andrew Pearson, counsel to Mr. Park in the matters pertaining to the ongoing investigation and Notice of Hearing by the Alberta Securities Commission (the "**ASC**").

We write further to your correspondence dated July 15, 2025, in which the ASC provides a Notice of Hearing for a hearing before a panel of the ASC scheduled on September 15, 2025 (the "**ASC Hearing**"), regarding allegations by the ASC against CatalX, Mr. Park, and Jae Ho Lee.

It is our client's position that the ASC Hearing as against CatalX and Mr. Park are contrary to the Order of the Court of King's Bench of Alberta (the "**Court**") granted in the above-noted proposal matter on June 20, 2025 (the "**Order**").¹ Capitalized terms used but not defined herein take their meanings from the Proposal (defined below).

The Order

The Order approved a proposal made by CatalX to its creditors (the "**Proposal**"), in which Mr. Park is the Proposal Sponsor.

The Order at paragraph 11(a) forever barred, extinguished, discharged and released CatalX from any Claims of any nature in accordance with the Proposal, and the ability of any Person to proceed against CatalX in respect of or relating to any Claims.

¹ See Appendix "1."

The definition of "Claims" in the Proposal is broad, and includes any right or obligation of any kind of CatalX to any Person. "Person" is defined to include any organization, government, commission or agency or instrumentality thereof.

Paragraph 11(b) of the Order stays, suspends and forever extinguishes the right for any Person to commence, issue or continue any and all steps and proceedings, including but not limited to, administrative hearings and orders, declarations or assessments commenced, or that may be commenced against CatalX.

It is our view that paragraph 11 of the Order stays and bars the ASC Hearing as against CatalX.

In addition, section 12 of the Order provides a release of Claims in favour of Mr. Park as follows:

Upon implementation of the Proposal and subject to Section 10.5 of the Proposal, each Participating Director shall be released and discharged from and by all Persons... from any and all claims... penalties... and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature... including any and all Claims or contingent Claims of any securities commission, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission... existing or taking place prior to the Implementation Date... [emphasis added].

The release against Mr. Park is subject to the exception for director releases at Section 50(14) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "BIA") for "wrongful or oppressive conduct". The ASC's claim against Mr. Park does not fall within this exception.² The findings of the Court in granting the Order is that Mr. Park's conduct "...was to be commended, that he was doing the right thing by the company, doing the right things by the investors that had relied on the company and he was putting his own funds at stake..."³

ASC's Participation in the Proposal Proceeding

The ASC was on the Service List for the application before the Court for the Order, and was served with materials for the Court-hearing where the Order was granted. The ASC had the opportunity to review the Proposal and Court materials, and had a representative in attendance at Court when the Order was granted.

If the ASC took issue with the releases provided to CatalX and Mr. Park as set out in the Proposal and the Order, it could have made submissions in Court to this effect.

² In this regard, see *Poonian v British Columbia (Securities Commission)*, 2024 SCC 28 generally, which discusses the high threshold for "wrongful conduct" as it applies to Section 178(1) of the BIA. In *Poonian*, the Court notes that "wrongful conduct" includes fraud, embezzlement, misappropriation or defalcation while acting in a fiduciary capacity, each of which is listed at Section 178(1) of the BIA (para 137).

³ See Appendix "2".



In *Delta 9 Cannabis Inc (Re)*, 2025 ABKB 52, the Court noted that while it is open to a party to oppose a release in a restructuring transaction or proposal, such a party should "engage and advise of its position early in the process". The ASC made no indication that it would oppose the releases of CatalX or Mr. Park that were granted by the Order.

Please advise by Monday, August 25th if the ASC does not agree with our clients' position as to the effect of the Proposal and Order as it relates to the ASC Hearing so that we can consider our next steps.

Thank you for your consideration of this correspondence. We look forward to hearing from you on this matter.

Sincerely,

MILLER THOMSON LLP

Per:

A handwritten signature in black ink, appearing to read "J. Reid", written over a horizontal line.

James W. Reid
Partner
JR/mc

Enclosures

c. Andrew Pearson (Church & Company)



Appendix One

B301-223290

COURT/ ESTATE FILE NUMBER 25-3223290

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY



IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, RSC 1985, c B-3, as amended MB

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CATALX CTS LTD.

APPLICANT

DELOITTE RESTRUCTURING INC.

DOCUMENT

ORDER
(Approval of Proposal)

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Burnet, Duckworth & Palmer LLP
2400, 525 - 8 Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Jessica MacKinnon
Phone Number: (403) 260-0210 / 0112
Fax Number: (403) 260-0332
Email address: dlegeyt@bdplaw.com/ jmackinnon@bdplaw.com
File no.: 75038/3

DATE ON WHICH ORDER WAS PRONOUNCED: June 20, 2025
LOCATION OF HEARING: Calgary Courts Centre
NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Justice R.A. Neufeld

UPON THE APPLICATION (the "**Approval Application**") of Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as the Proposal Trustee in the Division I Proposal (Deloitte in such capacity, the "**Proposal Trustee**") of Catalx CTS Ltd. ("**Catalx**" or the "**Corporation**") pursuant to section 58 and 60(5) of the *Bankruptcy and Insolvency Act*, RSC 1985 c B-3 (as amended, the "**BIA**"); **AND UPON** having read the Report of Trustee on Proposal (the "**Trustee's Report**"); **AND UPON** having read the Affidavit of Service of Angelamor Molod Donor, sworn June 13, 2025; **AND UPON** having read the proposal (the "**Proposal**") filed with the Office of the Superintendent of Bankruptcy Canada and considered at a meeting of the Corporation's creditors on June 2, 2025 (the "**Creditor Meeting**"); **AND UPON** the Proposal being accepted by the required majority of Catalx's creditors (the "**Creditors**") at the Creditor Meeting; **AND UPON** being satisfied that the Proposal is made in good faith, and that its terms are reasonable and calculated to the benefit of

the general body of creditors; **AND UPON** hearing counsel for the Proposal Trustee, counsel for Catalx and counsel for any other parties present;

IT IS HEREBY ORDERED THAT:

Definitions and Service

1. All capitalized terms used herein and not otherwise defined in this Order shall have the meanings ascribed to them in the Proposal.
2. With respect to the Approval Application and all accompanying materials, the dissemination of Catalx's Proposal to the Creditors the service of notice of the Creditor's Meeting and all other matters of technical compliance under the BIA:
 - (a) service of the notice of this Approval Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and the time for service of this application is abridged to that actually given;
 - (b) service of the Trustee's Report is deemed good and sufficient;
 - (c) the dissemination of the Proposal and all accompanying materials to Catalx's Creditors has been duly effected;
 - (d) proper notice of the Creditor Meeting was duly given to all Creditors entitled to vote at the Creditor Meeting;
 - (e) the Creditor Meeting was duly convened and held in accordance with the provisions of the BIA; and
 - (f) the distribution of the necessary materials for the Creditor Meeting is hereby deemed good and sufficient.

Approval of Proposal

3. The Proposal is made in good faith and its terms are fair and reasonable and are calculated to benefit the general body of the Creditors.
4. The Proposal has been agreed to and approved by the required majority of the Creditors present and voting either in person or by proxy at the Creditor Meeting as required by the BIA.
5. The Proposal attached hereto as **Schedule "A"**, is hereby approved and sanctioned, is effective in accordance with its terms and is binding upon and enures to the benefit of the Company, its directors, officers and Creditors, and all other Persons and parties named or referred to in, affected by, or subject to the Proposal, including their respective heirs, executors, administrators, successors and assigns, as provided in the Proposal, and in this Order.
6. As of the Effective Time, the Proposal and all associated steps, compromises, settlements, satisfactions, releases, discharges, transactions and arrangements set out therein are and shall be approved, final, binding and effective in accordance with the provisions of the Proposal and the BIA for all purposes and enure to the benefit of the Company, the Creditors, the Directors, and all other Persons named or referred to in, or subject to the Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.
7. The payment, distribution or transfer of any money, property or other consideration pursuant to or in connection with the Proposal or this Order including, will be free and clear of any charge, mortgage, lien, pledge, claim, restriction, hypothec, adverse interest, security interest or other encumbrance whether created or arising by agreement, statute or otherwise at law.
8. Upon distribution of funds by the Proposal Trustee pursuant to the Proposal and upon the Proposal Trustee having issued the Certificate of Full Performance in accordance with section 8.2 of the Proposal, the Proposal is deemed to be fully performed.
9. From and after the date of the Proposal, the Company's Creditors and any person affected by the Proposal shall hereby be deemed to have consented and agreed to all of the provisions of the Proposal.

10. Except as provided in this Order or the Proposal, all obligations, agreements or leases to which the Corporation is a party are declared to be and remain in full force and effect, unamended, as at the Effective Time, and no Person who is party to such obligation, agreement or lease will be permitted to, on or following the Effective Time, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation, agreement or lease, by reason:
- (a) of any event which occurred prior to, and not continuing after, the Effective Time or which is or continues to be suspended or waived under the Proposal, which would have entitled any other party thereto to enforce those rights or remedies;
 - (b) that the Corporation sought or obtained relief or has taken steps as part of the Proposal under the BIA;
 - (c) of any default or event of default arising as a result of the financial condition or insolvency of the Company; or,
 - (d) of the effect upon the Corporation of the completion of any of the steps or transactions contemplated by the Proposal;

Barring and Release of Claims

11. Without limiting anything in the Proposal or the BIA:
- (a) all Claims are forever barred and extinguished, and the Corporation is discharged and released from any and all Claims of any nature or in accordance with the Proposal, the ability of any Person to proceed against the Corporation in respect of or relating to any Claims is forever discharged and restrained and all proceedings with respect to, in connection with or relating to such Claims are permanently stayed; and
 - (b) the right to commence, take apply for, issue or continue any and all steps and proceedings, including but not limited to administrative hearings and orders, declarations or assessments commenced, taken or proceeded with or that may be commenced, taken or proceeded wit against the Corporation in respect of any and all Claims be and is hereby stayed, suspended and forever extinguished;

provided that nothing herein shall release, discharge or affect any obligation of the Corporation under the Proposal or prevent any Person from enforcing its rights and remedies against the Corporation in respect of any such obligation.

12. Upon implementation of the Proposal and subject to Section 10.5 of the Proposal, each Participating Director shall be released and discharged from and by all Persons including Creditors and holders of Unsecured Claims, from any and all demands, claims, actions, causes of actions, counterclaims, suits, debts, orders, penalties, sums of money, accounts, covenants, damages, judgements, expenses, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any person may be entitled to assert, including, without limitation, any and all Claims or contingent Claims of any securities commission, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to, arising out of or in connection with any Claims, the business and affairs of the Corporation and Participating Directors, whenever and however conducted, including the Proposal and the Receivership Proceedings, provided that nothing herein shall:
 - (a) release or discharge any of the Directors from the exceptions set out in section 50(14) of the BIA; or
 - (b) release or discharge any of the Directors from fraudulent or criminal conduct.

No Fraudulent Preference or Conveyance

13. Notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any proceedings in respect of the Corporation under the BIA, the *Companies' Creditors Arrangement Act* (Canada) or any analogous law; or
 - (c) the provisions of any federal or provincial statute,

none of the transactions contemplated by the Proposal shall be void or voidable at the instance of creditors, or any trustee in bankruptcy, receiver or court officer, nor shall such transactions constitute, nor shall they be deemed to constitute, transfers at undervalue, fraudulent preferences, assignments, fraudulent conveyances or other reviewable transactions under the BIA or any other applicable federal or provincial law or conduct meriting an oppression remedy, and all of the transactions occurring under the Proposal shall be binding on any subsequently appointed trustee in bankruptcy of the Company.

Amendment of Proposal

14. The Proposal may be varied, amended, restated, modified or supplemented:
 - (a) with the consent of the Proposal Trustee, the Corporation and the Plan Sponsor and without Court approval, provided that such Amendment concerns a matter that is of an administrative nature and is required to better give effect to the implementation of this Proposal and is not adverse to the financial interests of the Creditors; and
 - (b) in all other instances with the consent of the Proposal Trustee, the Corporation and the Plan Sponsor, subject to the Court approving such Amendment;

and in the instance of any Amendment, the Corporation shall provide notice to the service list of the Amendment and file a copy thereof with the Court without delay and the Proposal Trustee will post an electronic copy of the Amendment on the Proposal Trustee's Website without delay.

Approval of Activities, Fees and Disbursements

15. The Proposal Trustee shall be and is hereby authorized to perform its functions and fulfil its obligations under the Proposal to facilitate the implementation of the Proposal.
16. All activities, actions and proposed courses of action of the Proposal Trustee (collectively, the "**Proposal Trustee's Actions**") to date in relation to the discharge of its duties and mandate as Proposal Trustee (collectively, and as further detailed in the Trustee's Report, the "**Proposal Trustee's Mandate**") are hereby approved.

17. Upon completion of the Proposal Trustee's Mandate, the Proposal Trustee may file a certificate substantially in the form attached hereto as **Schedule "B"** with the Clerk of the Court certifying that all of its duties in respect of the Corporation pursuant to the BIA and the Order(s) pronounced in these proceedings have been completed, then Proposal Trustee shall be discharged from its duties as Proposal Trustee of the Corporation, provided however that, notwithstanding its discharge herein, the Proposal Trustee shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Proposal Trustee.
18. It is hereby adjudged and declared that, based upon the evidence that is currently before this Honourable Court in regard to the Proposal Trustee's Actions:
 - (a) the Proposal Trustee has acted honestly and in good faith, and has carried out the Proposal Trustee's Mandate in a commercially reasonable manner;
 - (b) the Proposal Trustee has satisfied all of its duties and obligations pursuant to the Proposal Trustee's Mandate;
 - (c) the Proposal Trustee shall not be liable for any act or omission arising from, relating to or in connection with its discharge of the Proposal Trustee's Mandate, save and except for any liability arising out of fraud, gross negligence or willful misconduct on the part of the Proposal Trustee;
 - (d) the Proposal Trustee has never had and shall not in the future have any liability in regard to any act or omission of the Corporation, including, without limitation, in relation to the business of the Corporation, payment of and/or accounting for any taxes (including, without limitation, goods and services tax) on revenues earned or any indebtedness or obligations whatsoever or howsoever incurred by the Corporation; and
 - (e) no person shall commence an action or proceeding asserting a claim against the Proposal Trustee arising from, relating to or in connection with its discharge of the Proposal Trustee's mandate without first obtaining an Order of this Honourable Court on notice to the Proposal Trustee granting such person leave to commence

such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity.

19. Subject to the foregoing, any claims against the Proposal Trustee in connection with the Proposal Trustee's mandate are hereby stayed, extinguished and forever barred.

Advice, Direction and Further Acts

20. The Proposal Trustee and the Corporation are hereby granted leave to apply to this Court for such further advice and direction or assistance as may be necessary to give effect to the terms of this Order and the Proposal.
21. The Proposal Trustee and/or the Corporation are hereby authorized and directed to take all further actions or steps necessary or appropriate to implement and complete the Proposal, including making all payments and distributions required to be made under the terms of the Proposal, and such steps and actions taken are hereby approved Service.
22. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - i. the persons listed on the service list created in these proceedings;
 - ii. any other person served with notice of the Approval Application;
 - iii. any other parties attending or represented at the Approval Application; and
 - (b) posting a copy of this Order on the Proposal Trustee's website at:
<https://www.insolvencies.deloitte.ca/en-ca/Pages/Catalx.aspx>
23. This Court requests the aid and recognition of any court or any judicial, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and the Proposal, and to assist Catalx, the Proposal Trustee and their 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order and the Proposal or to assist the Corporation, the Proposal Trustee and their agents in carrying out the terms of this Order or the Proposal.

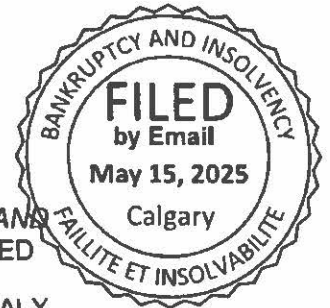
24. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.


Justice of the Court of King's Bench of Alberta

SCHEDULE "A" – Proposal

(see attached)

Clerk' Stamp



COURT / ESTATE FILE
NUMBERS

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF CATALX
CTS LTD.

DOCUMENT

PROPOSAL

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
525-8th Avenue SW, 43rd Floor
Calgary, AB, Canada T2P 1G1

Attention: James W. Reid / Pavin Takhar

Phone: 402-298-2418/403-298-2432

Email: jwreid@millerthomson.com/
ptakhar@millerthomson.com

File No.: 0291254.0001

WHEREAS pursuant to a receivership order of the Court dated January 19, 2024
(the "**Receivership Order**") Deloitte Restructuring Inc. was appointed receiver and manager
(the "**Receiver**") over, among others, CatalX CTS Ltd. (the "**Debtor**");

AND WHEREAS the Debtor is an insolvent person;

AND WHEREAS Jae Park is the sole director of the Debtor, and hereby intends on
sponsoring this proposal of the Debtor; and hereby submits this Proposal pursuant to the provisions
of Part III Division I of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 as amended (the
"**BIA**");

AND WHEREAS the Receiver, a licensed trustee under the BIA, has consented to act as
a Proposal Trustee in these proceedings of the Debtor under the BIA;

ARTICLE 1 DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) **"Administrative Fees and Expenses"** means the proper fees, expenses, including legal fees and disbursements, of the Receiver, the Proposal Trustee and the Debtor, including the fees and disbursements of Miller Thomson LLP, counsel to the Proposal Sponsor, and Burnet, Duckworth & Palmer LLP, counsel to the Receiver and Proposal Trustee, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) **"Affected Claim"** means all Claims that are not an Unaffected Claim;
- (c) **"Affected Creditor"** means a Creditor having an Affected Claim;
- (d) **"Approval"** means:
 - (i) Acceptance of this Proposal by the statutory majority of Creditors in the Unsecured Creditor Class entitled to vote thereon in accordance with the relevant provisions of the BIA; and
 - (ii) The approval of this Proposal by the Court by the granting of the Approval Order, which is a Final Order;
- (e) **"Approval Order"** means an Order of the Court which, among other things, approves this Proposal;
- (f) **"Burnet Duckworth & Palmer LLP"** means Burnet Duckworth & Palmer LLP, counsel for the Receiver and Proposal Trustee;
- (g) **"Business Day"** means a day, other than a Saturday or Sunday, on which banks are generally open for business in Calgary, Alberta;
- (h) **"Canada Pension Plan"** means the *Canada Pension Plan*, RSC 1985, c C-8, as amended;
- (i) **"Cash Pool"** means the aggregate of the Investigation Funds, the Proposal Proceeds, and the Receivership Proceeds, all to be held and administered by the Proposal Trustee hereunder;
- (j) **"Claim"** means a claim provable in bankruptcy against the Debtor and includes any indebtedness, liability, action, cause of action, suit, debt, account, bond covenant, charge, penalty, counterclaim, demand, claim, right and obligation of any kind of the Debtor to any Person, whether or not reduced to judgment, order, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety, by regulatory order or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to make a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present

or commence in the future based in whole or in part on facts which existed prior to or as of the Filing Date and a reference to a "Claim" or "Claims" shall include, as the case may be, Preferred Claims, Convenience Claims, Unsecured Claims, and Secured Claims;

- (k) **"Court"** means the Court of King's Bench of Alberta (in Bankruptcy and Insolvency), Judicial District of Calgary;
- (l) **"Creditor"** means any Person, having a Claim and may, if the context requires, means a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (m) **"Creditors' Meeting"** means the meeting of the Affected Creditors called for the purpose of considering and voting upon the Proposal;
- (n) **"Creditors' Meeting Date"** means the date and time as may be called by the Proposal Trustee for the meeting of creditors to consider this Proposal, but in any event will be no later than twenty-one (21) days following the Proposal Date;
- (o) **"Creditors' Meeting Notice"** means the notice and document package delivered to the Creditors in respect of the Creditors' Meeting;
- (p) **"Crown Claims"** means an amount due to His Majesty in Right of Canada or a Province and that are of a kind that could be subject to a demand under:
 - (i) subsection 224(1.2) of the *Income Tax Act*;
 - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts;
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (A) has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection;

as set out in the list of Crown Claims attached as Schedule "A";

- (q) **"Disputed Claims"** means any Claim that has been received by the Proposal Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Proposal

Trustee, or any other Person entitled to do so and has not been resolved by agreement or by Order of the Court;

- (r) **"Employment Insurance Act"** means the *Employment Insurance Act*, SC 1996 c 23, as amended;
- (s) **"Filing Date"** means [●] (the date the Debtor filed this Proposal);
- (t) **"Implementation Date"** means the date upon which the conditions set forth in Article 8.1 have been satisfied or, if applicable, waived;
- (u) **"Income Tax Act"** means the *Income Tax Act*, RSC 1985, c 1 (5th Supp), as amended;
- (v) **"Inspectors"** will have the meaning ascribed thereto in the BIA;
- (w) **"Investigation Funds"** means any proceeds received or recovered for the benefit of the Debtor or the Debtor's Creditors by the Receiver, the Proposal Trustee, the Debtor, the Alberta Securities Commission, the Royal Canadian Mounted Police, or and other regulatory or law enforcement agency as a result of ongoing investigations in relation to the Debtor and its former director and Chief Financial Officer Jae Ho Lee, which shall accumulate within 6 months of the Implementation Date;
- (x) **"Miller Thomson LLP"** means Miller Thomson LLP, counsel for the Proposal Sponsor;
- (y) **"Official Receiver"** will have the meaning ascribed thereto in the BIA;
- (z) **"Participating Directors"** means the current and former directors of the Debtor as set out in Schedule "D", who are sponsoring this Proposal by providing financial contributions in the form of the Proposal Proceeds, but for clarity, this specifically excludes Jae Ho Lee;
- (aa) **"Person"** means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government, commission or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (bb) **"Post-Filing Claim"** means any Claims arising in respect of services rendered, goods supplied, or other consideration given to the Debtor after the Filing Date;
- (cc) **"Preferred Claim"** means that portion of a Claim that is accepted by the Proposal Trustee as entitling the Creditor to receive payment in priority to other Creditors as provided in section 136 of the BIA;
- (dd) **"Preferred Creditors"** means holders of Preferred Claims, and as set out in the list of Preferred Creditors attached as Schedule "B"
- (ee) **"Property"** means all of the Debtor's current and future assets, undertakings and property of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (ff) **"Proposal"** means this proposal together with any amendments or additions thereto;

- (gg) **"Proposal Date"** means the date of the filing of the Proposal with the Official Receiver;
- (hh) **"Proposal Proceeds"** means the payment by the Proposal Sponsor to the Proposal Trustee pursuant to Article 7.1 of this Proposal in the minimum amount of \$200,000 plus payment in the amount of \$10,000 by other Participating Directors to fund the Proposal less any Crown Claims;
- (ii) **"Proposal Sponsor"** means Jae Park;
- (jj) **"Proposal Trustee"** means Deloitte Restructuring Inc., in its capacity as the proposal trustee of the Debtor, or its duly appointed successor or successors;
- (kk) **"Proven Claim"** of a Creditor means the amount of the Claim of such Creditor determined finally in accordance with the provisions of the BIA;
- (ll) **"Secured Creditor"** means a Person holding a mortgage, hypothec, charge, pledge, or lien on or against the property or assets of the Debtor as security for a debt due or accruing due the Person from the Debtor as set out in Schedule "C";
- (mm) **"Receivership Proceedings"** means all proceedings under the Receivership Order and in respect of Court Action No. 2401-00457;
- (nn) **"Receivership Proceeds"** means the funds remaining in the Debtor's estate in the Receivership Proceedings at the time of the discharge of the Receiver;
- (oo) **"Unaffected Claims"** means any Claims of the Unaffected Creditors;
- (pp) **"Unaffected Creditors"** means Creditors with Claims in respect of the Administrative Fees, any Post-Filing Claims, any Claims of Secured Creditors, any Crown Claims, and the Preferred Creditors;
- (qq) **"Unsecured Creditors"** means the Affected Creditors with a Proven Claim; and
- (rr) **"Voting Letter"** means the voting letter required by section 51(1) of the BIA to be mailed to each known Creditor prior to the Creditors' Meeting.

1.2 Articles of Reference

The terms "hereof", "hereunder", "herein" and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.3 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.4 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.5 Time

All times expressed herein are local times in Calgary, Alberta, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time will be deemed to be 5:00 p.m. local time in Calgary, Alberta, Canada.

1.6 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

1.7 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.8 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.9 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

1.10 Including

The word "including", or any variation thereof means "including without limitation", and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

**ARTICLE 2
PURPOSE AND EFFECT OF PROPOSAL**

2.1 Purpose

The purpose of the Proposal is to allow the Debtor to effect the restructuring of its indebtedness in the manner contemplated herein and as permitted by the BIA in the expectation that all Unsecured Creditors will derive greater benefit from the restructuring than they would otherwise receive from a bankruptcy of the Debtor.

This Proposal applies to all Unsecured Creditors, whether or not any such Unsecured Creditor proves a Claim against the Debtor under this Proposal. The Proposal does not effect Unaffected Creditors.

ARTICLE 3 CLASSIFICATION OF CREDITORS

3.1 Classes of Creditors

For the purposes of considering and voting on the Proposal, the Creditors of the Debtor shall be comprised of one class of Unsecured Creditors that are the Affected Creditors.

ARTICLE 4 TREATMENT OF CREDITORS

4.1 Binding Effect of Proposal

This Proposal will be binding on the Debtor and the Affected Creditors, and effective on the Implementation Date, all Affected Claims shall be discharged and the Debtor shall thereon be released from all Affected Claims, other than the obligation to make payment in the manner and to the extent described in this Proposal.

4.2 Administrative Fees and Expenses

The Proposal Trustee will pay the Administrative Fees and Expenses from the Cash Pool, from time to time, in the sole discretion of the Proposal Trustee, and prior to making any distributions to Creditors under this Proposal.

4.3 Preferred Creditors

There are no outstanding Preferred Claims.

4.4 Proposal In Respect of Unsecured Creditors

In full and final satisfaction of the Proven Claims of the Unsecured Creditors, an Unsecured Creditor shall receive distributions only to the extent that such Unsecured Creditor's Claim is a Proven Claim and has not been paid, released, or otherwise satisfied prior to the Implementation Date. Each Unsecured Creditor with a Proven Claim will receive payment, in cash, on a *pro rata* basis, of the balance of the Cash Pool in accordance with Article 7.3 of this Proposal.

4.5 Interest

Interest will not accrue or be paid on Affected Claims after or in respect of the period following the Filing Date and no Affected Creditor will be entitled to any interest in respect of its Claim accruing on or after or in respect of the period following the Filing Date.

4.6 Crown Claims

There are no outstanding Crown Claims.

4.7 Treatment of Secured Claims

The Proposal Sponsor is the only creditor that has a Secured Claim. The Proposal Sponsor shall not be entitled to vote on this Proposal at any Creditors' Meeting in respect of its Unaffected Claim. The Proposal Sponsor will not receive any payments in respect of the Proposal and shall not participate in any distributions from the Proposal.

4.8 Disputed Claims

An Affected Creditor with a Disputed Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Claim unless and until such Claim becomes a Proven Claim. Distributions made pursuant to this Proposal shall be made in respect of any Disputed Claim that is finally determined to be a Proven Claim.

4.9 Post-Filing Claims

Post-Filing Claims, if any, will be paid in full by the Debtor in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims. Given the Debtor is not operating, it is not expected there will be any Post-Filing Claims beyond the Administrative Fees and Expenses.

4.10 Superintendent of Bankruptcy Levy

Payments to each Creditor in respect of its Affected Claim will be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA and the Proposal Trustee will remit the amount of such levy to the Office of the Superintendent of Bankruptcy contemporaneous with the distributions to Affected Creditors.

**ARTICLE 5
PROCEDURE FOR VALIDATION AND VALUATION OF CLAIMS**

5.1 Filing of Proofs of Claim

In order to vote on, or to receive a distribution under this Proposal, each Affected Creditor must file a Proof of Claim with the Proposal Trustee as required by the BIA.

5.2 Allowance or Disallowance of Claims

Upon receipt of a completed Proof of Claim, the Proposal Trustee will examine the Proof of Claim and will, in consultation with the Debtor, allow, disallow or revise each Proof of Claim in accordance with the provisions of the BIA.

5.3 Procedure for the Valuation of Unsecured Claims

The procedure for (a) determining and valuing Claims of the Affected Creditors that are contingent or unliquidated; and (b) disallowing and resolving disputes with respect to Claims, will be as set forth in Section 135 of the BIA.

The Proposal Trustee reserves the right to seek the assistance of the Court in valuing the claim of any Affected Creditor, if required, to ascertain the result of any vote on this Proposal or the amount payable or to be distributed to such Creditor under this Proposal, as the case may be.

5.4 Claims Bar Process

Forthwith after the Creditors' Meeting, the Proposal Trustee shall give notice pursuant to Section 149 of the BIA, to every Person with an Affected Claim that the Proposal Trustee has notice or knowledge of, but whose Claim has not been filed or proved that if such Person does not prove its Claim within a period of thirty (30) days after the mailing of the notice, the Proposal Trustee will proceed to declare a final dividend without regard to such Person's Claim. Any Person so notified who does not provide its Claim within the said thirty (30) day period shall be barred from making a Claim in this Proposal or sharing in any distribution hereunder, subject to any exceptions set out in Subsections 149(2), (3) and (4) of the BIA.

ARTICLE 6 MEETING OF CREDITORS

6.1 Creditors' Meeting

On the Creditors' Meeting Date, the Proposal Trustee will hold a Creditors' Meeting in order for the Unsecured Creditors with an Affected Claim to consider and vote upon the Proposal.

6.2 Time and Place of Meeting

The Creditors' Meeting will be held on the Creditors' Meeting Date. Due to the location of the Proposal Trustee and the Unsecured Creditors, the Creditors Meeting will be held virtually, on such terms and parameters as the Proposal Trustee considers appropriate, with video and teleconference access for any Unsecured Creditors who wish to virtually attend. The Proposal Trustee may engage a third-party service provider to virtually host the Creditors' Meeting. The Proposal Trustee shall make available to all known Creditors the necessary connection, dial-in and other information about the Creditors' Meeting. Unless otherwise ordered by the Court, the Creditors' Meeting will be held at a time to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to Creditors pursuant to the BIA.

6.3 Conduct of Meeting

The Official Receiver or the nominee thereof, will preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, and their respective legal counsel, if any, the Proposal Sponsor and its counsel, the representatives of the Proposal Trustee and its counsel, and such scrutineers as may be duly appointed by the chair of such meeting. Any other Person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Proposal Trustee.

6.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with sections 52 of the BIA.

6.5 Voting by Creditors

All Unsecured Creditors with Affected Claims who, on the Creditors' Meeting Date, hold Proven Claims will be entitled to attend at the Creditors' Meeting and vote to the extent of

the amount which is equal to each such Creditor's respective Proven Claim against the Debtor.

6.6 Approval by Creditors

In order that this Proposal be binding on the single class of Unsecured Creditors hereof, in accordance with the BIA, it must first be accepted by a majority in number of the Creditors of such class who actually vote upon this Proposal (in person or by proxy) at the Creditors' Meeting, by a Voting Letter, or otherwise, representing two-thirds in value of the voting Claims of the Creditors of such class who actually vote upon this Proposal (whether in person or by proxy) at the Creditors' Meeting, by a Voting Letter or otherwise.

ARTICLE 7 FUNDING OF PROPOSAL

7.1 Funding of the Proposal Proceeds

Within one month of the date of the Approval Order, the Proposal Sponsor and any Participating Directors shall pay to the Proposal Trustee the Proposal Proceeds.

7.2 Funding of the Receivership Proceeds

Upon the discharge of the Receiver in the Receivership Proceedings, and subject to the terms of any Orders granted by the Court in the Receivership Proceedings, the Receiver shall pay the Receivership Proceeds, if any, to the Proposal Trustee.

7.3 Holding of Investigation Funds

After the expiry of six months from the Implementation Date, the Proposal Trustee shall create an accounting of all Investigation Funds and shall make a distribution of the Cash Pool, after full satisfaction and payment of the Administrative Fees and Expenses, to Affected Creditors with Proven Claims.

ARTICLE 8 COMPLETION OF THE PROPOSAL

8.1 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfillment or satisfaction of the following conditions:

- (a) The acceptance of the Proposal by Unsecured Creditors of the Debtor in accordance with Article 6.5 hereof;
- (b) The granting of an Approval Order, including approval of the Releases per section 10.5 below, by the Court in respect of the Debtor and the Released Parties, and the expiry of all appeal periods, provided that the Debtor may agree to waive the expiry of the appeal period in respect of the Approval Order; and
- (c) The Proposal Proceeds and Receivership Proceeds have been paid to the Proposal Trustee.

8.2 Certificate of Full Performance

Upon distribution of all cash amounts contemplated by Article 4 of this Proposal, this Proposal shall have been fully performed and the Proposal Trustee shall issue the certificate referred to in section 65.3 of the BIA.

8.3 Discharge of Proposal Trustee

Upon the issuance of the certificate of full performance contemplated by Article 8.2 hereof, the Proposal Trustee shall have discharged its duties as Proposal Trustee, this Proposal shall be fully performed and the Proposal Trustee shall be discharged.

The Proposal Trustee is acting in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of the Debtor and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a willful misconduct or gross negligence.

8.4 Completion of the Proposal

The payment, compromise, extinguishment or other satisfaction of any Proven Claim under the Proposal will be binding upon each Unsecured Creditor, its heirs, executors, administrators, successors and assigns, for all purposes, and as and from the Implementation Date all Unsecured Claims against the Debtor shall be forever discharged and released, excepting only the obligations to make distributions in respect of such Proven Claims in the manner and to the extent provided for in this Proposal.

**ARTICLE 9
PREFERENCES, TRANSFERS AT UNDER VALUE, ETC.**

9.1 Section 95 - 101 of the BIA

In conformity with Section 101.1 of the BIA, Sections 95-101 of the BIA and any provincial statute related to preference, fraudulent conveyance, transfer at undervalue, or the like shall not apply to this Proposal.

**ARTICLE 10
MISCELLANEOUS**

10.1 Modification of Proposal

The Proposal Sponsor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the issuance of the Approval Order) and subject to the consent of the Proposal Trustee, the Proposal Sponsor may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Approval Order.

10.2 Consents, Waivers and Agreements

As at 12:01 a.m. on the Implementation Date, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal will take precedence and priority and the provisions of such agreement or other arrangement will be amended accordingly; and
- (d) to have released the Proposal Trustee and all of its respective affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein;

provided that nothing herein will release the Debtor of its obligation to make the payments contemplated in this Proposal or to comply with any of its obligations thereunder.

10.3 Effect of Proposal Generally

As at 12:01 a.m. on the Implementation Date, the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and the Proposal shall constitute (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor of or in respect of such Claims.

10.4 Notices

Any notices or communication to be made or given hereunder will be in writing and will refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail, telecopier or by email addressed to the respective parties as follows:

- (a) if to the Proposal Sponsor

Jae Park
c/o Miller Thomson LLP
Attention: James W. Reid / Pavin Takhar
Eighth Avenue Place
525-8th Avenue SW
Calgary, Alberta
T2P 1G1
jwreid@millerthomson.com / ptakhar@millerthomson.com

- (b) if to an Affected Creditor, to the address, telecopier number or email address for such Affected Creditor specified in the claims notice sent in accordance with the Claims Procedure Order or, to such other address, telecopier number or email address at which the notifying party may reasonably believe that the Affected Creditor may be contacted; and
- (c) if to the Proposal Trustee:

Deloitte Restructuring Inc.
Attention: Jeff Keeble/ / Naomi McGregor
700, 850 – 2 Street SW
Calgary, Alberta
T2P 0R8
jkeeble@deloitte.ca / naomcgregor@deloitte.ca

with a copy to:

Burnet, Duckworth & Palmer LLP
Attention: David LeGeyt
525-8th Avenue SW
Calgary, Alberta
T2P 1G1
dlegeyt@bdplaw.com

or to such other address, telecopier number or email address as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, by telecopier or email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by email or telecopier or by delivery prior to 5:00 p.m. (Calgary time) on a Business Day, when received or if received after 5:00 p.m. (Calgary time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in to case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

10.5 Releases

Subject to Article 10.6, on the Implementation Date, the Debtor, and the Participating Directors (the "**Released Parties**") shall be released and discharged from and by all Persons including Creditors and holders of Unsecured Claims, from any and all demands, claims, actions, causes of action, counterclaims, suits debts, orders, penalties, sums of money, accounts, covenants, damages, judgments, expenses, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any person may be entitled to assert, including, without limitation, any and all Claims or contingent Claims of any securities commission, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to, arising out of

or in connection with any Claims, the business and affairs of the Debtor and Participating Directors, whenever and however conducted, including this Proposal and the Receivership Proceedings.

10.6 Claims Not Released

For clarity, nothing in Article 10.5 will release or discharge any Released Party (i) in respect of any Unaffected Claim or its obligations to Affected Creditors under this Proposal, or (ii) in the case of the Participating Directors, in respect of any claim referred to in Section 50(14) of the BIA.

10.7 Assignment of Claims

No assignment of a Claim by an Affected Creditor is effective to give the assignee any rights in respect of the Proposal unless written notice of the assignment is given to the Debtor and the Proposal Trustee in accordance with the requirements of Article 10.4. The assignment of the Claim will not be effective for a five (5) Business Day period from the date of effective receipt of the notice of assignment by the Debtor and by Proposal Trustee as determined in accordance with Article 10.4.

10.8 Notice of Presentation of Approval Application

Each of the Creditors and the Official Receiver (as defined by and appointed under the BIA) are hereby given notice that, after acceptance of this Proposal by the Creditors in accordance with the relevant provisions of the BIA, the Proposal Trustee will present an application to the Court seeking the Approval Order at such date and time that may be fixed following the Creditors' Meeting.

10.9 Foreign Currency Obligations

For the purposes of this Proposal, Claims denominated in a currency other than Canadian funds will be converted to Canadian Dollars at the rate of exchange of the Bank of Canada on the Filing Date. Claims denominated in currencies commonly known as "crypto currency", will be converted to Canadian Dollars at the fair market value of the crypto currency at 12:00 pm (MST) on the Filing Date.

10.10 Applicable Law

This Proposal will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and will be treated in all respects as an Alberta contract.

10.11 Non Severability

It is intended that all provisions of this Proposal will be fully binding on and effective between all Persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions will be void and of no force or effect.

10.12 Deeming Provisions

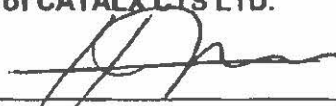
In this Proposal the deeming provisions are not rebuttable and are conclusive and irrevocable.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

DATED at the City of Calgary, in the Province of Alberta, this 12th day of May, 2025.

**JAE PARK as Proposal Sponsor and
Director of CATALX CTS LTD.**

Per: _____


Name: Jae Park

Title: Director

I have the authority to bind the corporation

Schedule "A"
Crown Claims

Nil.

Schedule "B"
Preferred Creditors

Nil.

Schedule "C"
Secured Creditors

Jae Park

SCHEDULE "B" – TRUSTEE CERTIFICATE

(see attached)

COURT FILE /
ESTATE NUMBER

25-3223290

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PROCEEDING

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY*
ACT, RSC 1985, c B-3, as amended

AND IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF CATALX CTS LTD.

DOCUMENT

PROPOSAL TRUSTEE'S CERTIFICATE

ADDRESS FOR SERVICE
AND CONTACT
INFORMATION OF PARTY
FILING THIS DOCUMENT

Burnet, Duckworth & Palmer LLP
2400, 525 - 8 Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Jessica MacKinnon
Phone Number: (403) 260-0210 / 0112
Fax Number: (403) 260-0332
Email address: dlegeyt@bdplaw.com/ jmackinnon@bdplaw.com
File no.: 75038/3

Clerk's Stamp:

- A. This Certificate is the Proposal Trustee's Certificate referred to in paragraph 20 of the Order of the Honourable Justice R.A. Neufeld dated June 20, 2025 (the "**Proposal Approval Order**") and granted in these proceedings.
- B. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Report of the Trustee on the Proposal.
- C. On May 14, 2025 (the "**Filing Date**") Catalx CTS Ltd. ("**Catalx**" or the "**Corporation**") filed its proposal to creditors (the "**Proposal**") with the Office of the Superintendent of Bankruptcy pursuant to section 50 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, (as amended, the "**BIA**"). Deloitte Restructuring Inc. ("**Deloitte**") consented to act as Trustee under the Proposal (Deloitte in such capacity the "**Proposal Trustee**").
- D. Pursuant to the Proposal Approval Order, the Proposal Trustee was discharged effective upon filing a certificate with the Clerk of the Court confirming that all of the Proposal Trustee's duties in respect of the Corporation pursuant to the BIA and the Order(s) pronounced in these proceedings have been completed, provided however, notwithstanding its discharge, the Proposal Trustee shall continue to have the benefit of

the provisions of all Orders made in these proceedings, including all approvals, protections and stays of proceedings in favour of the Proposal Trustee.

THE PROPOSAL TRUSTEE HEREBY CERTIFIES the following:

1. All of the Proposal Trustee's duties in respect of the Corporation pursuant to the BIA and the Order(s) pronounced in these proceedings have been completed.

**DELOITTE RESTRUCTURING INC., IN ITS
CAPACITY AS THE PROPOSAL TRUSTEE
OF CATALX CTS LTD. AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

Name:

Title:

Appendix Two

Action No.: 2401-00457
E-File Name: CVK25CATALX
Appeal No.: _____

IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

BETWEEN:

CATALX CTS LTD. and HYUK JAE PARK

Plaintiffs

and

CATALAX CTS LTD. and CATALX MANAGEMENT LTD.

Defendants

PROCEEDINGS

Calgary, Alberta
June 20, 2025

Transcript Management Services
Suite 1901-N, 601-5th Street SW
Calgary, Alberta T2P 5P7
Phone: (403) 297-7392
Email: TMS.Calgary@just.gov.ab.ca

<p>This transcript may be subject to a publication ban or other restriction on use, prohibiting the publication or disclosure of the transcript or certain information in the transcript such as the identity of a party, witness, or victim. Persons who order or use transcripts are responsible to know and comply with all publication bans and restrictions. Misuse of the contents of a transcript may result in civil or criminal liability.</p>

TABLE OF CONTENTS

Description	Page
June 20, 2025	1
Afternoon Session	1
Discussion	1
Submissions by Mr. LeGeyt	2
Submissions by Mr. Reid	9
Submissions by Ms. Wardell	12
Submissions by Mr. Tirkman	14
Submissions by Mr. Nasse	15
Submissions by Mr. LeGeyt (Reply)	15
Decision	18
Certificate of Record	23
Certificate of Transcript	24

1 anything under the Act which allows for a revote --

2
3 THE COURT: Yeah.

4
5 MR. LEGEYT: -- and so I just -- I think that submission is -- is
6 not one we can give effect to.

7
8 THE COURT: Okay.

9
10 MR. LEGEYT: Thank you.

11
12 THE COURT: All right. I've heard submissions with respect to
13 the proposal. I haven't heard anyone talk to the first application -- was the discharge of the
14 Receiver and I assume that there's no opposition to that. What I would like to do right now
15 is -- it's now 10 after 3, or approaching that, I think. This clock is, I don't know, still on
16 some other time zone in the courtroom. But I'm going to take about 10 minutes and then
17 I'm going to come back and provide a decision today on both. That's not unusual. For the
18 folks that are online, it's not unusual for us to do this in an insolvency proceeding. There's
19 an emphasis on keeping things moving as we go. We know sometimes things move slowly,
20 but once it's to the Court for a hearing, we like to get things decided so we can move these
21 matters along.

22
23 MR. LEGEYT: Sir, I've received a note from Ms. Mackinnon,
24 who was at the creditors meeting.

25
26 THE COURT: Yeah.

27
28 MR. LEGEYT: And she said some people did change their votes
29 and that was allowed.

30
31 THE COURT: Okay. All right. I'll be back in 10 minutes. I'll
32 give some thought to -- I want to look in particular at the reasonableness of the proposal,
33 given what I've heard today and some of the concerns that were raised.

34
35 (ADJOURNMENT)

36
37 **Decision**

38
39 THE COURT: All right. Thank you. Have a seat, please. I have
40 two applications before me today in respect of the demise of a company, Catalx XTS Ltd.
41 and Catalx Management Ltd. that was involved in crypto trading activities on a platform

1 that was based in the United States. I first dealt with this, I believe it was January of last
2 year, when an application was made for the appointment of a receiver after one of the
3 directors, Mr. Park, found out that things were amiss at the company and that sent these --
4 and the problems at the company needed to be investigated and, in particular, had
5 suspicions about the activities of his co-director, Mr. Lee.

6
7 Mr. Park took an unusual step at that time and he, in his personal capacity, funded the
8 appointment of a receiver, whose mandate was twofold. One was to oversee a forensic
9 examination of the company's book, find out what had gone on and, to put it bluntly, where
10 the money was. There had already been an ASC complaint and the ASC had an
11 investigation underway. And two, based on that, to see if there were any funds that would
12 be available for distribution to investors, of which he was one, along with family members.

13
14 The application for a receiver at that time was something that I thought was unusual. I
15 made it clear in granting the receivership order that I thought that Mr. Park's response was
16 to be commended, that he was doing the right thing by the company, doing the right things
17 by the investors that had relied on the company and he was putting his own funds at stake
18 and into the pot in order to see the right thing happen. Not something that you ordinarily
19 or regularly see in this court. I say those things because it is a bit of a context for some of
20 the decision -- or some of the remarks I will be making on both applications.

21
22 The first application is for discharge of the Receiver. The forensic examination of the
23 company has been done. It was not good news for the investors, certainly, or anyone else,
24 I guess, finding that the investment of many people had been severely compromised, if not
25 lost. That information was and will remain available to the Alberta Securities Commission
26 so that it can pursue potential remedies and redress against, in particular, Mr. Lee, the one
27 who was absconded, apparently with money.

28
29 In my view, the Receiver has acted diligently. This has not been an easy receivership in
30 terms of some of the unusual issues that have arisen and I do not have any difficulty
31 approving the activities of the Receiver over the last reporting period or the fees and
32 disbursements that have been incurred, largely, as I say, funded by Mr. Park for legal
33 counsel and the Receiver. So that application, which is not opposed, is approved and
34 granted.

35
36 Then come to the second application, which is the next stage of things, which is the
37 proposal to the creditors of the company under the *Bankruptcy and Insolvency Act*. Deloitte
38 Restructuring Inc. is the Proposal Trustee and now applies for approval and sanctioning of
39 a proposal to the corporation's creditors made in May of this year, pursuant to sections 58
40 and 59 of the *Bankruptcy and Insolvency Act*. The proposal was dealt with and approved
41 at a meeting of the creditors on June 2nd. And we have heard the results of those meetings,

1 both -- of that meeting, both in terms of the participation, as well as the results of the vote.
2 And the result of the vote was that it was approved by 79 percent of the persons who were
3 participating in the creditors meeting by number and 68 percent by dollar value.
4

5 I understand that there were concerns and there are concerns about the degree of
6 participation that was present at that meeting, whether people actually got the material on
7 time or noticed it on time, in Ms. Wardell's case. That number is the one that is the
8 statutory threshold for bringing the application before the Court and it meets that statutory
9 threshold. That does not mean necessarily that the Court will approve the proposal. It still
10 has to pass the other hurdles in the Act and I will go through those now.
11

12 As Mr. LeGeyt indicated, there are three criteria that our courts have used in considering
13 proposals made under the Bankruptcy Act. The first is whether the proposal is reasonable
14 and that is to say is it objectively reasonable. One factor in that, but only one factor, is the
15 degree of support that the proposal receives at the creditors meeting. If it is overwhelming
16 support and it is a well-attended creditors meeting, then the case law tells us that the Court
17 should strongly defer to the decision of the creditors in deciding whether the proposal is
18 reasonable. In this case, the results were close in terms of the statutory thresholds. They
19 met the statutory thresholds, but I take note of the fact that the meeting was not particularly
20 well-attended and so I am not going to place a lot of weight on the result itself in deciding
21 reasonableness. I have looked at that from my own perspective and on the basis of the
22 material before the Court to make that determination. I will get to that in a minute.
23

24 The second criteria is whether the proposal was calculated to benefit the general body of
25 creditors. That is fairly easy in this case and I will talk about that. And the third is whether
26 the proposal is made in good faith. I will talk to the reasonableness issue first. Firstly, it
27 is my view that while the financial return to creditors is at this point very small, somewhere
28 on the order of 4 or 5 percent, I agree with the Proposal Trustee that it is better than what
29 would happen under a bankruptcy, which is to say that the creditors would receive nothing
30 or are likely to receive nothing. So on that basis, just looking at the finances in the near
31 term, that order is in favour of a finding of reasonableness, but is reasonable in other ways
32 that, in my view, are more important.
33

34 The first is that proposal specifically carves out the liability exception, if you will, Mr. Lee.
35 It leaves it open for the creditors, or for that matter the company, through the Trustee to
36 pursue any remedy that they or the company may have against Mr. Lee, who, on all
37 appearances, is the person who is at fault for the defalcation here and is a person to whom
38 these funds were directed. That is important. Secondly, as discussed with Mr. Reid, there
39 are provisions in the *Bankruptcy and Insolvency Act* to cover the situation where, for
40 whatever reason, usually lack of finances, a Trustee is not willing or able to pursue a claim
41 that otherwise might be valid and might be fruitful.

1
2 In this case, it may be that creditors would like to pursue their own claim and, again, all of
3 the information points to one person as having been at fault for these defalcations. But if
4 the company does not -- or if the Trustee does not pursue a claim, the Act does have a
5 specific procedure for creditors to seek leave of the Court to pursue the claim under the
6 Bankruptcy Act against the person at fault. That is under section 38 of the *Bankruptcy and*
7 *Insolvency Act*.

8
9 I have dealt with that in the past in respect of claims that are made by creditors where the
10 Trustee has chosen not to proceed and, in fact, in respect of issues that have arisen where
11 monies have left and gone offshore. And it is something -- it is a procedure that is
12 potentially helpful to someone who simply wants to go after the person at fault because the
13 person who is carrying on that litigation, or group of people that are carrying on that
14 litigation, can pursue it, arming themselves with some of the investigatory powers that a
15 Trustee and bankruptcy might have in terms of taking out appointments for examinations
16 and also seeking the relief of foreign courts to help them get some relief.

17
18 So although it may not seem so, in my view, once you get into the details here, it would be
19 beneficial for the creditors as a whole in this case to be able to have Catalx continue and
20 through the Trustee or on an assignment of that interest being able to pursue the person
21 who appears to be the one that's primarily at fault here. So on that basis and looking at
22 this objectively and not paying particular -- or giving particular weight to the result of the
23 vote itself, I conclude and I believe that this proposal is one that is reasonable in terms of
24 benefitting the creditors as a whole or potentially doing so.

25
26 I would also mention, as it was discussed, that the release that is being granted to other
27 directors and officers, beside Mr. Lee, is not a complete release. And if there is reason to
28 believe that one or more of those directors or officers were acting in a wrongful way under
29 the Act or had made misrepresentations to investors that were relied on, those actions will
30 remain open to be pursued by investors under the terms of this order. So on the first two
31 criteria, it is reasonable and the proposed order would benefit investors as a whole.

32
33 So I go to the last criterion, which is whether the proposal is made in good faith. And I go
34 back to my comments that were made at the beginning of my decision here. In this case -
35 - this case is unusual, in that the initial application for receivership was something that went
36 over and above what one might ordinarily expect of one director of a company that has
37 gotten into trouble due to the actions of another. Mr. Park stepped up. He acted in good
38 faith by funding the receivership. He is leaving money on the table for other creditors as a
39 result of the proposal and I have no reason to conclude other than that he is acting in good
40 faith and the proposal is made in good faith in order to continue these activities under the
41 Trustee's direction.

1
2 So with that, I understand that there are a lot of people who have been burned here. That
3 is going to happen whenever there is a defalcation like this that has happened, people have
4 been left hanging, caught out in the wind. And what we are trying to do is chart a course
5 that is reasonably organized, efficient and also takes advantage of some of the provisions
6 of the legislation that benefit creditors as a whole. I think that this one does. I appreciate
7 that creditors might have wanted more time to give this some thought, but, in my view,
8 looking at it objectively, it is a reasonable proposal and the second application is also
9 granted.

10
11 MR. LEGEYT:
12 of order, if it pleases the Court?

Thank you, Sir. I'll pass forward the two forms

13
14 THE COURT:

Yes.

15
16 MR. LEGEYT:
17 below it. Thank you.

Receivership order is on top and the proposal is

18
19 THE COURT:
20 fashioned way, Mr. LeGeyt.

Okay. I'll never object to doing this the old

21
22 MR. LEGEYT:

(INDISCERNIBLE)

23
24 THE COURT:

All right. Those orders are signed.

25
26 MR. REID:

Thank you, Sir.

27
28 MR. LEGEYT:

Thank you, Sir. Those are all my matters.

29
30 THE COURT:

Thank you. Thank you. We're adjourned.

31
32
33
34 PROCEEDINGS CONCLUDED
35
36
37
38
39
40
41

Certificate of Record

I, Daryl Richardson, certify this recording is the record made of the evidence in the proceedings held in courtroom 1702, at Calgary, Alberta, on the 20th day of June, 2025, and I was the court official in charge of the sound-recording machine during the proceedings.

1 **Certificate of Transcript**

2
3 I, Kristy Nelson, certify that

4
5 (a) I transcribed the record, which was recorded by a sound-recording machine, to the best of
6 my skill and ability and the foregoing pages are a complete and accurate transcript of the
7 contents of the record, and

8
9 (b) the Certificate of Record for these proceedings was included orally on the record and is
10 transcribed in this transcript.

11
12
13
14
15 Pro-to-type Word Processing

16 Order Number: TDS-1088858

17 Dated: July 17, 2025
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41

THIS IS **EXHIBIT "G"** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025

A handwritten signature in blue ink, appearing to be 'R' with a stylized flourish.

A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor

September 5, 2025

By Email: jwreid@millerthomson.com, church@churchlegal.com;
pearson@churchlegal.com

File No.: ENF-013419

Miller Thomson
525 - 8 Avenue SW
4300 Eighth Avenue Place East
Calgary, AB T2P 1G1

Church & Company
900 – 1040 West Georgia Street
Vancouver, BC V6E 4H1

Attention: James W. Reid

Attention: David P. Church, K.C. and
Andrew Pearson

File No.: 0281594.0001

File No.: 42010/003

Dear Messrs. Reid, Church and Pearson:

**Re: In the Matter of the Proposal of CatalX CTS Ltd., Court File No. B301-0223290
(Proposal Proceedings)**

This is the response of Staff of the Alberta Securities Commission (Staff and the Commission, respectively) to your letters dated August 19 and 20, 2025, enclosed (the Letters).

Staff do not agree with the legal positions outlined in the Letters. In particular, we do not agree that the order made by Justice R.A. Neufeld of the Court of King's Bench of Alberta (the Court) on June 20, 2025, approving the proposal CatalX CTS Ltd. made to its creditors (the Order and the Proposal, respectively), has any effect on the upcoming hearing before the Commission (the Hearing) commenced by way of a Notice of Hearing dated July 11, 2025, *Re Catalyx Ltd.*, 2025 ABASC 98 (the NOH). We also do not agree that the Commission was served with any of the underlying documents upon which the Order was granted or the Order itself.

The Order does not have any effect on the Hearing because the Commission is not and has never been a creditor with a claim provable in bankruptcy against CatalX. The *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, and case law from Alberta and elsewhere in Canada support the position that prospective and discretionary regulatory sanctions, including administrative penalties, are not claims provable in bankruptcy.¹

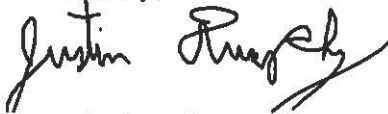
¹ *Chartered Professional Accountants of Alberta v Nielsen*, 2018 ABQB 170; *Re Wing*, 2019 ONSC 4063; *Re Thow*, 2009 BCSC 1176.

The allegations in the NOH and any sanctions that may be ordered in the Hearing are therefore not claims provable in bankruptcy and, as such, the Order, including paragraphs 11 and 12, is not binding on the Commission and has no effect on the Hearing.

Further, the Commission was not served with any of the underlying documents upon which the Order was granted or the Order itself because, pursuant to sections 217 and 220 of the *Securities Act*, RSA 2000 c S-4 (the *Act*), service of any document on the Commission is only effected by personally delivering, or delivering by courier or registered mail, the document to the offices of the Commission, marked to the attention of the Secretary of the Commission (the **Secretary**). In addition to being a statutory requirement, personal service on the Secretary serves an important purpose. It ensures that the Commission, as a large organization with over 250 employees, receives and has an opportunity to properly respond to documents that may affect its legal rights, including fundamental jurisdictional issues such as those raised by the Letters. Service of a document on anyone but the Secretary does not constitute service under the *Act*.

Staff therefore intend to proceed with the Hearing and will see you at the set date hearing before the Commission on September 15, 2025. Although we believe the Order does not have any effect on the Hearing, we reserve our rights to take steps to address the Order in the future, including by applying to the Court to vary, amend, restate, modify, or supplement the Proposal in accordance with paragraph 14 of the Order. We also reserve our rights to supplement our legal positions outlined above.

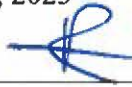
Sincerely,

A handwritten signature in black ink, appearing to read "Justin Dunphy", with a stylized flourish at the end.

Justin Dunphy
Senior Litigation Counsel

Encl.

THIS IS **EXHIBIT “H”** REFERRED TO
IN THE AFFIDAVIT OF JUSTIN DUNPHY
SWORN BEFORE ME THIS 10th DAY OF
OCTOBER, 2025

A handwritten signature in blue ink, appearing to be 'R. Van Dorp', is written over a horizontal line.

A Commissioner for Oaths/Notary Public
In and for the Province of Alberta

RICHARD VAN DORP
Barrister & Solicitor



MILLER THOMSON LLP
525 – 8TH AVENUE S.W., 43RD FLOOR
EIGHTH AVENUE PLACE EAST
CALGARY, AB T2P 1G1
CANADA

T 403.298.2400
F 403.262.0007

MILLERTHOMSON.COM

September 10, 2025

VIA EMAIL

Justin.Dunphy@asc.ca

Matthew.Bobawsky@asc.ca

James W. Reid
Partner

Direct Line: +1 403.298.2418
jwreid@millerthomson.com

File No. 0291254.0001

Alberta Securities Commission
Suite 600, 250 – 5th Street SW
Calgary, AB T2P 0R4

Attention: Justin Dunphy, Senior Litigation Counsel
Matthew Bobawsky, Litigation Counsel

Dear Sirs:

Re: ***In the Matter of the Receivership of CatalX CTS Ltd. and CatalX Management Ltd., - Court File No. 2401-00457***
In the Matter of the Proposal of CatalX CTS Ltd., - Court File No. B301-223290

We write in response to your correspondence dated September 5, 2025 (the “ASC Letter”), in which you advised that the Alberta Securities Commission (the “ASC”) staff intend to proceed with a hearing before an ASC panel against, among others, CatalX CTS Ltd. (“CatalX”) and Hyuk Jae Park (“Park”), scheduled for September 15, 2025 (the “Hearing”).

We disagree with the position of the ASC staff presented in the ASC Letter that the ASC and the Hearing are not impacted by the Order of the Court of King’s Bench of Alberta dated June 20, 2025, approving a proposal of CatalX rendered June 20, 2025 (the “Order”).

Service

The ASC Letter alleges that the ASC was not properly served with the underlying documents for the hearing in respect of the Order. We note that three staff members representing ASC were duly notified of the application of the Court’s officer, Deloitte Restructuring Inc. for the Order, including yourself. Each of these ASC staff members have been on the Court-officer’s service list for these matters to be served via email since January 2024. No concerns from ASC staff were ever raised with this method of service.

At the hearing for the Order, service was addressed by counsel to the Court-officer, and an affidavit of service was filed by counsel to the Court-officer. Section 2 of the Order expressly deems service of the application for the Order to be good and sufficient and that no other person is required to have been served with notice of the application. You were in attendance in the Courtroom when submissions on service were being made and the ASC did not object to the Court’s ruling that service was deemed good and sufficient for the application to proceed.

The Order Prohibits the Hearing against CatalX and Park

In regard to the ASC's suggestion that the Order does not have any effect on the Hearing because the ASC is not a "creditor with a claim provable in bankruptcy" against CatalX, we disagree. The definition of "Claim" in the proposal expressly incorporates any form of claim or penalty of any kind against CatalX by regulatory order or otherwise, whether or not reduced to judgment and whether existing at present or commenced in the future. The Order approving the proposal and staying the Hearing is express and unambiguous. The Hearing as against CatalX is in breach of paragraph 11(b) of the Order.

Irrespective of whether or not the ASC has a "claim provable in bankruptcy" against CatalX, this does not have any bearing on release granted in favour of Park. Park was granted a release pursuant to section 50(13) of the *Bankruptcy and Insolvency Act* (Canada). This provision permits the compromise of claims against directors that relate to the obligations of the corporation where the directors are by law liable in their capacity as directors. The release in favour of Park at paragraph 12 of the Order is not limited to releases for "claims provable in bankruptcy" against CatalX.

The language in paragraph 12 of the Order releases and discharges Park from any and all claims, actions, causes of actions, suits, debts, orders, penalties, sums of money, accounts, covenants, damages, judgments, expenses, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature arising out of the business and affairs of CatalX. Park is fully released from the allegations made in respect of the Hearing.

Given the clear language in the Order, we ask that the ASC postpone the Hearing until the Court can provide the parties with advice and directions pursuant to paragraph 20 of the Order. We are not aware of any urgency for the Hearing to be commenced on Monday.

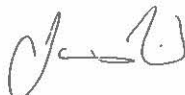
We intend to write to the Court on or before end of the day on Friday, September 12, 2025, to seek time before Justice Neufeld to hear these issues. Please provide your availability for a half-day hearing so that we can request dates that are convenient for all parties.

Thank you for your consideration of this correspondence. We look forward to hearing from you on the rescheduling of the Hearing and dates for a Court hearing. To the extent the ASC staff is not prepared to reschedule the Hearing to a mutually agreeable date, we intend to raise the issue with the panel at the Hearing.

Sincerely,

MILLER THOMSON LLP

Per:



James W. Reid
Partner
JR/mc

c. Andrew Pearson (Church & Company)

